

White House Office on Volunteers, 11/76

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FROM: Jack Watson

November 3, 1976

November 3, 1976

M E M O R A N D U M

*Meeting on overview
(composition)
Expedite T.R.*

TO: Jimmy Carter
FROM: Jack Watson *JW*
SUBJECT: SOME THOUGHTS ON ORGANIZING THE EXECUTIVE
OFFICE OF THE PRESIDENT

General Comments.

The purpose of this memorandum is to outline and discuss certain options for organizing the major units of the Executive Office of the President. The paper is divided into four parts: (1) White House Staff; (2) Office of Management and Budget; (3) Council of Economic Advisors; and (4) National Security Affairs.

The ideas and options presented here are offered simply to help you focus on the structure of your Presidency and some of the key relationships between and among you and some of your principal assistants.* They are neither exhaustive nor exclusive. After talking, reading and thinking about the subject for several months, I am convinced that the critical ingredient in these particular matters is your personal comfort. In a very real sense, there are no experts on Executive Office organization because every President has shaped the office to meet his own style and needs. You will do the same thing, and should.

Although these options are obviously only tentative and suggestive, they have not been randomly selected. I have tried to be guided by principles that I think reflect your

* Note: The use of masculine nouns and pronouns throughout this paper is intended to include the feminine gender.

thinking and objectives and by valuable lessons learned from the experience of previous Presidents. Some of those principles may be summarized as follows:

A. Size: There will be a significantly smaller White House staff backed up by a more effective OMB, Council of Economic Advisors, and other institutional staffs in the Executive Office. Roosevelt, Truman and Kennedy all tried to keep their top staff and junior aides down to a number they could personally know and regularly deal with. Kennedy had about 25 professional level staff; Johnson about 35; and Ford about 70 of comparable status. Kennedy's total White House staff numbered 272; Johnson's 250; Nixon's 540 and Ford's 485. I am attaching a chart as Exhibit "A" which shows the basic changes in White House staff size in recent years. I am also attaching an Exhibit "B" which shows the basic White House staffing arrangements of Kennedy, Johnson and Ford. You could start with 5 - 8 principal assistants supported by 20 to 30 junior aides and build from there as necessary. I'll discuss some particular options on the key assistants later in this paper.

B. Function: White House aides will be the President's staff in the tradition of Roosevelt, Truman, Kennedy and Johnson. They will serve as assistants to the President himself, helping him deal with all the daily demands on his time and attention,

and facilitating his management of the government. They will give political and program advice to the President. They will work closely with OMB and other Executive Office staff units to achieve coordination and resolve conflicts among agencies.

They will not try to run the whole government from the White House. They will not try to manage departments, and they will not formally interpose themselves between the department and agency heads and the President.

C. Loyalty: White House staff will not be advocates for outside constituencies; they will be advocates for the President's interests and goals. In effect, you need advisors with an outlook as broad as your own. I think Stewart Alsop was right when he observed, "[A] President badly needs to have around him his own men -- able men who have no separate empires or ambitions of their own, who are the instruments of the President's will." We should not forget this principle just because of the recent bitter experience with the sinister activities of the men around Nixon. Loyalty to the President and his legitimate aims remains one of the most important elements of a well-functioning White House staff.

For this reason, I think you are better served by organizing your top aides around the work flows ending on your desk rather than around specific programs or constituencies. The White House should be your house, the one place in the

government where the Presidential perspective is paramount and where you can operate and think out loud with complete confidence in the people around you and their support of you as President.

D. Versatility: Even within the work flows crossing your desk, there is a danger to you in giving your staff permanent and exclusive jurisdictions. For example, the tendency of recent Presidents to divide domestic and foreign policy operations into rigid compartments has led to considerable confusion and embarrassment on international economic issues. I believe it would be in your interest to experiment with shared, overlapping or shifting assignments, even at the risk of offending the conventional wisdom of "efficiency experts."

E. Hierarchy: At the beginning at least, I think your five to eight top aides should be equal in their status, salaries and access to you. In effect, you should act as your own chief of staff. There is no way for you to predict how your choices for the top jobs will cope with the unique challenges of the White House. If a "first among equals" naturally emerges later, and you decide that designation of a chief of staff would help you, you can name him then. I think a chief of staff concept is dangerous because of its tendency to restrict the flow of information to you and to have it all filtered to you through the judgment of another man.

Presidential accessibility is a problem under the best of circumstances. Anything that makes it harder for key advisors to get to the President also makes it harder for the President to feel the cutting edge of cross-cutting ideas, a feel, I think, he desperately needs to have.

F. Access: Senator Mathias has described the White House as the President's "house of mirrors in which all views and ideas tend to reflect and reinforce his own." The mirror effect has been most evident in the Johnson and Nixon Presidencies but it is not unique with them. The pressures and powers of the modern White House tend to disorient all Presidents and their men. Even the most able personal staff person oftentimes slides into the courtier's role. The pernicious result is a deepening presidential isolation and unreality.

Your best safeguard is to keep open many independent routes of access to the Oval Office. You have promised to keep direct lines open between you and your Cabinet. You should do the same with congressional chiefs, key opinion and interest group leaders and your top personal aides in the White House. You should also recruit some White House aides on a rotating basis from the agencies to infuse fresh ideas and perspectives into your staff.

G. Devil's Advocacy: The Presidency is a lonely and awesome job. It is natural for men filling it to want people

around them who are supportive, optimistic and admiring. But the most important people on your staff will be those who can be negative as well as positive, critical as well as supportive and who have the gift of perceiving the "other side's" position, weighing it objectively and where appropriate, advocating it.

There is no magic formula for institutionalizing devil's advocacy on your staff unless it is the selection of wise, alert, secure and courageous people, all of whom will be expected and able to serve as devil's advocates whenever appropriate. Keeping your blind spots to a minimum is no idle caution, as Kennedy's Cuba, Johnson's Vietnam, and Nixon's Watergate clearly indicate.

H. Titles: I think it is important to resist the tendency of recent Presidents to depreciate the title "assistant to the President" by giving it, or its equivalent, to a larger and larger number of people. This practice reached its high water mark in the Nixon White House, where an incredible number of aides, including many who were faceless until Watergate, acted as "assistant Presidents," giving orders to the agency heads and shifting personnel around. Under Nixon, "the President says" gambit got entirely out of control and finally contributed to his downfall.

Only a handful of your closest aides should have the power to pick up the telephone and say, "The President asked me to call. . . ." Consequently, I believe you should limit the

title of "Assistant to the President" to your five to eight most senior aides.

There are other advantages to you in requiring uniformity of titles. Although there are other traditional titles -- Special Counsel, Appointments Secretary, Press Secretary -- titling senior aides "Assistant to the President" will underscore the absence of hierarchy in your White House. It will also signal the versatility of your staff. Kennedy and Johnson liked to refer to their senior staff aides as "triple-threat men," "switch-hitters," all purpose men to whom they could toss anything, and who were roughly equal in access and authority. Uniformity of title helps make this so.

I. Avoiding An Imperial Presidency: The principles I have just outlined -- a smaller White House staff, less hierarchical, more informal, more versatile, with each key aide having direct access to you, loyal to you, but not interposing himself between you and your senior Departmental appointees, free from pomp and free to disagree with you -- all primarily reflect one basic idea which may be stated as follows:

IN ORDER TO DO WELL, A PRESIDENT MUST REMAIN OPEN AND ACCESSIBLE. HE MUST ZEALOUSLY MAINTAIN CHANNELS THROUGH WHICH HE CAN RECEIVE DIVERSE INFORMATION AND JUDGMENTS, AND THROUGH WHICH HE CAN BE CONSTANTLY CHALLENGED, DISPUTED AND FORCED TO RETHINK AND DO BETTER.

I sincerely believe that you may be one of the smartest men ever to achieve the Presidency. Ironically there is a potential danger in that circumstance; it is the danger of thinking you know more than you do, of not listening, of not reaching out, of not exposing yourself to a vigorous "give and take" with other people of intelligence, experience, knowledge and wisdom. In the final analysis, Nixon retreated into a Presidency of memo-reading and order-giving. I understand why he did it and what forces naturally compel any President to seek that solitary refuge; but you must not submit to those forces.

Your White House must be organized efficiently enough to do the job, but more importantly, it must be open and fluid and oral and dynamic. You must take time to listen and have different voices to hear.

* * * * *

I. WHITE HOUSE STAFF

The White House office is your house. It should be organized around your needs. Your day as President will be controlled by certain action-forcing processes which constantly push decision deadlines toward your desk. It is helpful to organize your staff around these streams of action and around tasks to be done, rather than around positions to be filled.

The major spheres of action are press relations; management of your time through control of scheduling appointments and paper flow; administration; political relations; personnel decisions; congressional relations; legislative program and domestic policy operations; speeches and messages; and national security policy and operations.

These tasks can, of course, be allocated in many different ways. Some are fulltime for one person; some are fulltime but should be divided among several persons; others are parttime and may be shifted around from time to time. Each major task is discussed below in the order of probable appointment by you. Some options for allocating the functions are discussed but specific decisions must be made by you. The moment you give people certain assignments, you should think through your system again and adjust it as the mix of personalities requires.

A. Press Relations

The Press Secretary's job is hazardous because he is expected to please two masters - the President and the press - although he can really serve only one. The strain built into this job has produced a series of sour relationships between press secretaries and the press. No press secretary since James Hagerty in the Eisenhower administration has enjoyed the confidence of the press for a prolonged period of time.

There are two distinct roles a press secretary can play; your choice of appointee will largely determine which role is played. The first is that of the press secretary who is a true presidential confidante - the advisor who takes time out from counseling the President to answer reporters' questions. Bill Moyers filled this role. In the days before he became press secretary, he was Johnson's closest advisor. When reporters asked him questions about Johnson's intentions, they knew that he knew what Johnson really felt.

The obvious advantage of this arrangement is that the press always has an authoritative source on hand. The danger is that, in the long run, this kind of secretary is expected to serve two masters, and he simply cannot do so. Even in the most honest and open administration, there are matters which must be kept confidential; negotiations which must be carried out quietly, and certain decisions which must be delayed. This

is not a matter of deceiving the press but of governing responsibly.

Knowing that, the press secretary-confidante must then face a press corps sure to ask him about the matters he knows must be concealed. His choices then are to answer fully and honestly (which would betray the President); to answer obliquely or deceitfully; or to say that he doesn't know. In the short run, these ruses work; in the long run they do not. In the case of Bill Moyers, this turned an initially happy relationship into an extremely difficult one.

The other approach is to make your press secretary essentially a briefing officer, as Gerald Warren was under Nixon, and TerHorst was briefly under Ford. This also has its disadvantages; the press is disgruntled at having to deal with a non-authoritative source. The advantage is that this kind of press secretary is free to tell the press everything he knows, because he only knows what you have told him. When he gets questions the answers to which he does not know, he can simply tell the reporters that he will check and report back later.

There are certain instances when this approach is clearly ruled out - when a major controversial issue has come up, for example, and the press is demanding real answers. On a day to day basis, however, it may be the less perilous of two risky courses. Moreover, if you choose this approach, you may also have a director of communications who is one of your all-purpose

counselors but who does not appear at the daily briefings.

A little known quality of the successful press aide is strong managerial ability. As your ambassador to the press, he must manage their care-and-feeding; field their complaints; provide advance texts and reports; and competently tend to the complex technical arrangements when the President is in motion. The managerial challenge is even greater if the press aide undertakes to coordinate the efforts of his departmental counterparts, the press spokesmen for the agencies, seeking to assure coherence and good timing across the board. Nixon went beyond this and established a separate Director of Communications, with a sizable staff, to try to direct and monitor agency public relations, press included. This is a matter which should be left to further examination by your press aide and further discussion with you.

The Ford press office has 33 slots, with six principals. Your press aide could easily utilize as many because there is no limit to the amount of time and services the press corps can absorb. On the other hand, in keeping with a "lean" White House staff profile, a smaller number would be feasible. The whole subject of staffing of the press office is one which you will want to discuss in more detail with Jody and others.

Although his relationship with you is key, the press aide must also relate comfortably with your program and policy

and national security aides. You have pledged an open Presidency with more information available to the public before decisions are made. Your press aide will be under pressure to strike the balance between secrecy and disclosure in favor of openness; your program and national security aides will sometimes urge that national safety and your political interests push the other way. These conflicts and others are less likely to reach your desk if these aides have high regard for each other, as well as a genuine mutual respect and trust.

B. Appointments, Administration, Paper Flow
and Political Relations

This bundle of assignments closely resembles the array of duties handled by the "Appointments Secretary" under Truman, Kennedy and Johnson, and by the "Staff Coordinator" (Richard Cheney) under Ford. It is also the bundle with which Haldeman began the rise that made him Nixon's "Chief of Staff." These duties did not do it in and of themselves; they simply offer the best base to reach for such a role if the President encourages it.

If you want to have one person handle this set of duties, but don't want to establish a hierarchy in your senior staff, you should make this plain to this aide at the outset. Alternatively, you could divide these duties among several key assistants, but at the obvious expense of increasing the number of personal aides who need regular access to you. If you decide to do the latter, you should consider the relationships between and among the

following "mixes" of duties:

(1) Controlling the President's Time

The aide with this duty screens your appointments and directs the flow of paper across your desk. He is the chief conserver of the hours in your day. With your close guidance, he arranges whom you will see; what calls you will make and accept; what papers you will read in which priority order; what documents you will accept as ready for your signature; what memoranda of your observations are prepared and who gets them -- in short, the flow of people, paper and messages through your office.

This is the classic "palace guard" function, absolutely vital to your peace of mind but easily abused when personality and position are not happily married. The courtesy, fairness and finesse with which this aide conducts himself will help determine the openness of your Presidency and the effective operation of your White House staff.

(2) Political Relations.

This aide is the contact point for the Chairman of the Democratic National Committee and other persons in or out of government you use as key advisors in party affairs. To neglect your role as party chief jeopardizes your strength. This aide sees that you don't do so. Congressional elections in 1978 - the first referendum on your Administration - must begin to be

planned virtually from January 20th. Traditionally, the appointments secretary has doubled as the key political trouble-shooter for the President, but there is no organic reason why he has to do so.

(3) Administering the White House.

The administrative and logistical services of the modern White House require formidable managerial skills to oversee. They also require a deft personal touch because the aide with this duty generally doles out the space and perquisites which are the symbols of status and influence among your staff.

Needless to say, these kinds of decisions viscerally affect human relationships on your staff. For this reason, it may be wise to appoint a trusted senior advisor who does not want a permanent job to set up the White House office initially. Later, when your staff is operating, you may wish to assign this job to a career officer in the White House who could allocate space and perquisites from a neutral perspective. He would, of course, follow your desires and the guidelines established by your senior aides acting collegially. Bill Hopkins, as White House Executive Clerk, played this role for Kennedy and Johnson.

The other major administrative task is the management of the support staffs which actually make up the bulk of White House personnel. In addition to the Executive Clerk mentioned above, these include the Chief Usher in the Mansion who directs

the household staff; the Military Assistant to the President and associated aides with ceremonial functions; the Naval personnel manning Camp David; the White House mess staff; the Army Signal Corps detail and others. Moving you, your staff and your press corps around is a massive undertaking that involves cooperative effort by White House careerists of many sorts.

Assuming he superintends administrative services, your administrative aide is well placed to organize and oversee a small, flexible secretariat for meetings of the Cabinet, its committees and various ad hoc groups. For help in this (above the clerical level) he could draw on junior staff from elsewhere in the White House and still more on staff from Executive Office agencies such as OMB, CEA, Office of Science and Technology Policy. How many additional assistants your Administrative Aide would require for ongoing logistics - and how many you let him have - can best be decided after you and he canvass current arrangements under Ford, in November.

C. Patronage and Personnel Policy

No Presidential obligation is more important than staffing the government. None offers so great an opportunity for improving the quality of government, and none so regularly exposes the President to the risk of embarrassment, ingratitude or scandal. For both these reasons the personnel staff must

understand and appreciate your interests and aims and have an intuitive feel for your assessment of people.

The personnel staff will be responsible for recruitment and clearances (political and security) of Presidential appointments to executive, regulatory, judicial and diplomatic posts, as well as less significant advisory and honorific positions. The staff must receive names as they come in, tag the promising ones and sort them for specific jobs. This job is necessarily highly subjective. Your personnel staff must have the authority to evaluate and reject. For this to work their judgment must be valued and trusted by you and your closest advisors. The staff must also be politically adept at keeping the DNC off your back and at coordinating congressional requests with your congressional liaison.

There are two basic options for organizing your personnel staff. Whichever one you choose, you should note one caution: For your protection, no one person should have an exclusive assignment as "job dispenser." All of your closest advisors should be encouraged to criticize proposed candidates and suggest alternatives. Kennedy used several close advisors to evaluate candidates for top jobs (his brother, Robert, and White House Staffers Ralph Dungan, Larry O'Brien and Ken O'Donnell). By contrast, Nixon used a highly centralized system directed by Haldeman.

With that caution in mind, there are a couple of approaches for you to consider:

(1) Assistant to the President for Personnel

A senior advisor with direct access to you could be designated as your personnel advisor but with firm instructions to coordinate decisions with your other top aides. The volume of personnel decisions is staggering. Nixon's White House Personnel Office routinely filled 100 positions a month. Ford has a staff of 30 at work on this job.

If you want to place emphasis and high visibility on your program to attract the best available talent throughout the Federal government, then your personnel office should have high status and visibility. If you are determined to minimize patronage, your personnel advisor must have the status and authority to give a firm but polite "no" to senior party officials, Congressmen and private interest groups.

(2) The Haldeman Model

Personnel selection could be assigned to your administrative aide as one of his duties. The personnel staff would report through this advisor and not directly to you. The advantage of this approach is that personnel selection could be coordinated by a senior aide whose range of duties intersects other key staff. He could easily and naturally involve them in decisions at an early stage. He might also have a more Presidential perspective

than an aide working entirely on personnel.

The danger lies in giving any such aide a Haldeman type power base and in risking overload of an aide with other major duties, particularly at the threshold of your administration when personnel decisions will come in wholesale lots. Ford's Assistant to the President for personnel reports through Cheney, his administrative aide. Lack of access to the President and lack of proper supervision by Cheney are cited by some as reasons for Ford's shabby record on appointments.

You will have an opportunity to appoint a new Civil Service chairman early in your first term (the incumbent chairman Robert Hampton plans to resign before his term expires March 15, 1977). That choice should be a trusted advisor who can assist your personnel assistant to thread the rules and regulations affecting your relations with the career civil service.

You may want special and separate staffs for regulatory, judicial, and diplomatic appointments. These appointments involve special expertise and should not be tainted by patronage. You have rightfully committed yourself to appointing "regulators" who are both qualified and free of ties to the industries they are chosen to regulate. You have pledged merit appointment of judges and diplomats. Fulfilling these commitments will require special recruitment and screening efforts. A partial answer may be specialized deputies to the assistant for personnel, each with

a mandate to work closely with policymakers in the relevant field (e.g., Attorney General, Secretary of State, and your regulatory advisors.)

D. Congressional Relations

The Congressional relations staff in the White House serves dual and sometimes conflicting functions. It is the President's advocate to the Congress; and it is the Congress' advocate to the President.

As the President's advocate it has or shares responsibility for: (1) enacting the President's budget and legislative program; (2) stimulating support for the Administration's non-legislative initiatives; and (3) shepherding the confirmation of Presidential nominees requiring the advice and consent of the Senate.

As advocate for the Congress, the staff serves (a) as the transmitter of personnel/patronage and programmatic requests to the President and (b) as the ombudsman, or court of last resort, in receiving appeals for the reversal of agency actions unfavorable to Congressional constituencies.

The office also serves as a dispenser of social patronage for the White House including invitations to State functions; the arrangement of White House VIP tours; and the dispensation of Presidential souvenirs, all in the pursuit of bridge-building between Congress and the White House.

Your Congressional relations staff faces a formidable challenge because the prospects for warm, placid relations with Congress are dim. The Democrats have been out of power for eight years. Over 70% of the members of the House have never served with a Democrat in the White House. The demands for jobs will vastly outnumber the available positions. This would be the case even if you were to indulge in wholesale patronage, which you have indicated you will not do.

Almost every bit of contact between the President and the Congress involves bargaining of a sort. At one extreme, the President may use his office as a "bully pulpit" from which to persuade the public, thereby lending his prestige to Congressmen who support him, and denying it to those who don't. At the other extreme, he may influence a vote on an important piece of legislation by promising to build a dam, fill a job, or take a trip that will help the legislator. At all points along this scale, the President may bargain with his power to make a legislator look better - or worse - to himself, to his colleagues and to the people he represents.

Explicit bargaining, however, brings distinct risks. You will never have enough jobs to make everyone happy. Each demand for a patronage quid pro quo granted by the President will generate a dozen more. Dealing for votes is anathema to open government.

If, in your choice of a legislative liaison, you create the expectation that you will dispense patronage through him, you will sharpen the Congressional appetite. If, on the other hand, you give early and clear signals that you are going to stress merit criteria for personnel appointments and the allocation of Federal expenditures, you may be able to reduce the bad feeling which inevitably follows selective bargaining.

1. Centralization v. Decentralization of the
Legislative Lobbying Effort

You must make a choice concerning the relationship between the White House legislative staff and its counterparts in the agencies. Under Kennedy, the cabinet officers and their legislative staffs took primary responsibility for the passage of the Administration's legislative program, although Larry O'Brien's coordination, and in some cases direction, of their efforts were very important. Under Johnson, responsibility for congressional liaison actually centered in the White House. Califano, who was in charge of developing the President's legislative program (through a series of task forces operating outside of the departmental structure), marshalled the departmental legislative officials into a centrally organized team. The advantages of White House centralization are (1) that it assures that the President's priorities call the tune of the lobbying effort, rather than those of the individual departments; and

(2) that it helps to restrain and detoxify departmental rivalries.

On the other hand, you have indicated that you intend to give relative autonomy to the Cabinet. You are similarly committed to at least a partial dismantling of the White House staff. A decision to coordinate the departmental legislative staff would require more White House aides.

2. Options for Organizing the Legislative Staff

Your Congressional liaison staff will be one of many places in the White House where dissimilar functions must be done together if any of them is to be done well. The key to success in dealing with Congress is coordination - coordination not only between "incoming" and "outgoing" Congressional relations (that is, between problem-solving for the Congress and lobbying for our own programs), but also between the tasks of creating your legislative program and of guiding it through the Congress.

There are, of course, some difficulties which a consolidated approach creates. The sheer volume of Congressional problem-solving may overwhelm the legislative lobbying effort if one person is responsible for both. Bryce Harlow received an average of 400 calls per day at the beginning of Nixon's term as President. Harry Flemming estimates that Congressional letters on jobs exceeded 5,000 names in the first year of the Nixon presidency. Good management will make these problems easier to control, but it won't make them go away or diminish in number. It is crucially important for

you to understand just how big a "management" job congressional liaison is, if it's done well.

Another difficult challenge is to ensure constant and smooth coordination between your staff members who deal with Congress and those who develop your legislative proposals. Everyone on your staff should understand that no one stands apart from the job of selling your programs to the Congress. Day in and day out, the "legislative-relations" staff should take care of Congressional relations, but when specific bills come up, those who took part in developing them should join in the effort to get them passed. This is another good example of your need for flexible, "triple-threat" staff who don't make the mistake of defining their respective roles in narrow gauged terms; who trust and like each other; and who refuse to get caught up in endless games of turf protection.

The Nixon and Ford administrations have demonstrated the perils of the alternate approach. Getting a bill passed usually involves bargaining over the terms of the legislation. Under the Republicans, those involved in the task of taking a bill apart have rarely been those who helped put it together. Consequently, in the trading and negotiation with Congress, the "traders" have lacked any clear sense of which provisions were most important and which could be sacrificed with least harm. Their effectiveness as negotiators and lobbyists naturally

suffered.

3. Office of Congressional Relations

The Office of Congressional Relations should consist of an assistant to the President for Congressional Relations; a Deputy Director; three - perhaps four - House lobbyists and two Senate lobbyists; a ceremonial functionary, and adequate support staff to maintain two current lobbying data banks on members of Congress. It would be helpful if at least a majority of the key members of the Congressional liaison staff were persons already familiar with and to the Congress, and trusted by its members.

The House and Senate lobbyists should be chosen predominantly from among those with background and experience in their respective Houses, although care must be taken to avoid ties and conflicting loyalties which undermine the integrity of the Congressional relations operation. Each lobbyist must possess a deep understanding of the ways of Congress, the motivations of its members and the demands of its constituencies. Regional and ideological diversity is desirable. It would be a good idea for at least one of the Congressional lobbyists to be a woman.

In carrying out his lobbying responsibilities, your program and policy aide should have the services of at least two senior legislative specialists. (I'll touch more on this later.)

The Vice President and the Cabinet officers should be designated on an ad hoc basis by the President as project managers charged with the responsibility for directing specific lobbying efforts. They, too, would be subject to policy guidance from the Assistant to the President for Programs and Policy and to lobbying coordination by both the Assistant to the President for Programs and Policy and the Assistant to the President for Congressional Relations.

4. The Role of the Vice President in Congressional Relations

The Vice President has traditionally served as a Presidential lobbyist, but his lobbying role has been diminished in the past by institutional and personal impediments. The constitutional separation between the branches can be a formidable barrier. Lyndon Johnson had to tread particularly lightly as Vice President because he was sensitive to Congressional resentment based on his seeking to capitalize upon his former role as a domineering Majority Leader (a role which had left some reservoir of resentment). Agnew, on the other hand, suffered from an acute insensitivity to and ignorance of the Congressional sense of psychic distance between the executive and legislative branches. Humphrey as Vice President was a successful lobbyist, but his involvement in other activities and responsibilities somewhat limited his effectiveness.

The Vice President has an office in the Capitol. His assistants have access to the floor. He has a constitutional, if limited, role in the legislative process. Unfortunately, no Vice President in recent history has enjoyed a sufficiently close, visible relationship of trust and confidence with the President to satisfy the ultimate requirement that he appear to speak directly for the President. The inherent structural tension in the relationship between the President and Vice President works against a formalized role for the Vice President as lobbyist. Nevertheless, it would be very much to your advantage to use Senator Mondale on an informal basis as one of your chief and most trusted lobbyists. From everything I can tell, he is extraordinarily well respected and liked in the Congress and carries an unusually small amount of political or personal liability from his years in the Senate. In addition, he is, of course, an extremely knowledgeable and sensitive observer of (and former participant in) the Congressional scene and has legislative skills that could be of tremendous value to the Administration.

E. Program and Policy Assistant

Along with the budget, formulation of the Administration's legislative package is one of the two great action-forcing processes in the government.

All Democratic Presidents since Roosevelt have basically assigned one key assistant to coordinate their legislative program and Presidential message flow. For Roosevelt it was a series of men; for Truman it was Clifford and Murphy; for Kennedy, Sorensen; and for Johnson, Califano. Republican Presidents have tended to separate these tasks from one another; for example, under both Nixon and Ford, speech writing was treated as a separate activity with staffs of astonishing size.

The following is a check-list of duties which have traditionally been assigned to the President's chief program and policy aide. As is evident from the nature of the activities, close collaboration and cooperation among all members of the White House staff, the Director of OMB and the Chairman of the CEA are essential. Irrespective of how you decide to assign the tasks, these are the things which generally must be done:

(1) Coordinate agency legislative programs and budget proposals; sound out idea men in the public and private sectors on the substance of the requests; formulate a legislative program; get it enacted; and see that it is faithfully implemented by the bureaucracy.

(2) Decide which legislative proposals initiated by

Congress deserve the imprimatur of the President; and for those which do not, determine which posture on your part -- indifference, active opposition, tradeoffs -- should be adopted.

(3) Respond to Congressional investigations of elements of your government and to Congressional and private complaints about your policies.

(4) Supervise Executive Office task forces in shaping the major annual Presidential messages (State of Union, Budget and Economic Report) and coordinate preparation of special messages to Congress.

You could put your speech-writing capability under the program and policy aide, or under an autonomous "Assistant to the President" for Speeches. The decision as to where you place speech-writing will depend largely on the personality and talent-mix of your staff.

Your program aide need not have a large staff. Sorensen managed with two assistants, Califano with five. But the program aide and his staff, in order to manage his cluster of responsibilities, will have to draw heavily on the institutional staffs in the Executive Office, particularly OMB, CEA, along with ad hoc task forces and/or the Domestic Council.

Two critical areas in which the policy staff will have to be backstopped by the institutional staffs are:

(1) Policy Planning, Coordination and Follow-Through

Every program aide since Sorensen has sooner or later asked

the President for more help. This is especially true since the vast increase in domestic programs under Johnson. As Pat Anderson has pointed out, your program aide needs staff to "help him spot crises before they erupt, provide White House coordination of interagency programs and the information to resolve interagency disputes -- and to push for departmental follow-through on Presidential decisions." As the number of programs rises, the pressure of these duties has magnified.

Your personal needs and style will add to the demands on your program aide. You have expressed a strong interest in increasing government efficiency and productivity. Your demands for coordination and follow-through on your key programs will be intense. Some frustration with the performance and responsiveness of your department heads is inevitable, no matter how carefully you choose them, or how much they want to please you. As one Kennedy White House aide put it, "Everybody believes in Democracy until he gets to the White House and then you begin to believe in dictatorship, because it's so hard to get things done."

Califano increased his staff to five assistants but left the White House convinced that the program aide needed more help -- at least the domestic equivalent in the Executive Office of the skilled professional staff first put together by McGeorge Bundy for national security affairs. For this reason, Califano was an advocate for the concept of the Domestic Council, although he deplores its metamorphosis under Nixon. Califano believes that

the Domestic Council in its present form is impractical and unnecessary. (For the past four years, the Council has had almost no impact.) He urges a return to a small (maybe 7-person) staff for the policy aide.

I recommend elimination of the Domestic Council*. The Domestic Council's twin ~~pre~~premises are that domestic and foreign affairs can be rigidly compartmentalized, and that the program aide needs a large, formal staff, on the model of the NSC, to do his job. Both premises seem to me to be wrong. Most important "domestic" issues, such as energy, environment and agriculture, have crucial international dimensions. As for staffing, the program aide can function with 7-8 assistants in the White House so long as he has (and uses) constant access to the specialized staff units in the EOP, especially NSC and OMB. The program aide can use staff from these units to help him identify those important issues and problems (whether they be "domestic" or "domestic-foreign" in character) which require Presidential attention. Once such an issue or problem is spotted, he can put together an ad hoc task force to prepare options for the President. The task force would be chaired by the Cabinet member from the lead agency on the issue, and its members and staff would be selected from other interested agencies, Congress and experts in private life. Your program aide or his deputy would have a watching brief on the task force but would not direct it.

* This would require legislation and a loss of \$1.7 million appropriation for staff, which presently numbers under 45.

An alternative to placing these coordinating functions under your program aide would be to place them entirely within OMB. An advantage of this approach is the professionalism of OMB's staff and the organizational efficiency implied in integrating the functions of program planning, coordination and implementation supervision. The problem is that the subject matter is often-time too politically sensitive to be left solely to OMB.

(2) Government Organization

Organizational reform has short-term political costs and deferred benefits. Trying to reform the civil service and restructure agencies will stir up political opposition which may hurt your policy initiatives in health, jobs, energy or other areas. Almost from the start, you will be under pressure to trade off organizational reform for short-run policy advantages.

I think you will need someone close to you who understands both the programmatic and organizational sides in order to keep your organizational effort on track. Your chief program assistant can play this role but he will not have the time, energy or staff to do it all from the White House.

One approach would be to give the policy aide a deputy for whom government organization would be the chief priority. In this area they would be back-stopped by the Director of OMB and an associate director of OMB for management, both of whom would take the lead in shaping OMB to reflect not only a broader concern for the evaluation of programs, but also for the organization and management of the delivery of services. The associate

director of OMB for management would work closely with the deputy program assistant for reorganization and management, and OMB staff would provide the bulk of the necessary staff work.

* * * * *

II. OFFICE OF MANAGEMENT AND BUDGET

Giving your White House staff a lean organizational profile must go hand in hand with giving new vigor and direction to OMB. You will arrive in the White House committed to developing new programs, evaluating old ones to see if they really work, and coordinating all programs with an eye to curbing waste, duplication and overlap. You are also committed to substantial reorganization efforts over the next eight years.

These are ambitious plans which require excellent staff-work to succeed. You cannot rely primarily on your personal aides or your Cabinet to handle the assignment. Dependence on the White House staff would preserve (and increase) its bloated size; suck problems into the White House and onto your desk; confuse signals going out in your name; and turn your personal aides into a slow-moving bureaucracy. Similarly, your Cabinet members are too vulnerable to interests and commitments outside the White House and too protective of departmental turf always to keep their eyes from wandering from your goals.

For all these reasons, you have wisely opted for a mixed approach -- small personal staff tuned to give policy and political advice to you; a strong cabinet exercising control over operations; and a strong OMB giving you a central hand over budgeting, evaluation, planning and other management processes. The linchpin of this system is the role of OMB, acting as the staff in the middle, keeping detailed operations and the trouble they bring out of the White House, and helping you to help your department heads stand up to their bureaucracies. Traditionally, OMB has been the major professional staff available to the President to assist him in budget, management and legislative matters. It has been of central importance for every modern President, offering an institutionalized source of information, advice, responsiveness and competence. For you, because of your aspirations for the government, it will be even more important.

Information: By sitting astride the budget process, OMB is not only important for controlling the budget; it is the key organization for keeping the President in touch with what is happening in the departments and agencies.

Advice: OMB has proven to be the President's leading source of independent advice on the substantive pros and cons of domestic issues. It is less politically oriented in its judgments than the President's personal aides in White House Office; and it is less committed to the advocacy of particular programs than officials in the departments and agencies are.

Responsiveness: OMB's only client is the President. The organization has a vested interest in seeing to it that Presidential wishes are faithfully communicated to and implemented by the bureaucracy.

Competence: Political executives from both parties report BOB/OMB staff to be extraordinarily skilled, hard-working and reliable. In terms of sheer intellectual ability, OMB's professional staff of some 430 people may well be the most formidable asset a new President inherits.

The critical importance of OMB presents you with a problem, because OMB in recent years has fallen short of its potential. Most Presidents have tried to make more of the agency -- to get more assistance from it -- than they have been able to achieve; you will expect even more, but you will inherit a slightly shell-shocked and demoralized agency.

Some reorganization of OMB is essential, but the agency needs therapy before surgery. With the assistance of your director, I recommend that you take three steps at the beginning to turn this agency around:

First, you should return the OMB leadership to physical and philosophical proximity with its staff. Nixon installed his OMB Director in the White House with a separate office, title, status and "Cabinet rank" to boot. BOB directors traditionally had proudly eschewed such things to emphasize their difference from "mere" White House aides on the one hand and "line"

department heads on the other. This did not keep Kennedy's David Bell or Johnson's Charlie Schultze from working for the President as fully and freely as Nixon's George Schultz ever did (indeed, more so), but it did make it easier for them to be, at the same time, interested and accessible leaders of "their" career staffs. From OMB itself, George Schultz and then Roy Ash were relatively remote. Consequently, the President, as the "institution" OMB careerists served, was even more remote.

Second, that gap was made wider and more impenetrable, by inserting between the director and the career staff a thick, new layer of appointive associate directors. These appointments were "political" in form but often merely non-career in fact, most of them knowing little about either politics or Nixon. They were supposed to assure staff "responsiveness" but, for the most part, they made careerists feel even more isolated than before and farther from the President than ever. (It got to the point where the OMB Director, the Associate Directors and the budget examiners were actually housed in three different buildings.) This extraneous layer of political "associate directors" should be abolished.

Third, OMB's management role must be redirected. Nixon created a new and separate "management" staff in OMB (hence the change in title) as part of a much ballyhooed effort to control the government from the Executive Office. That staff duly arrived, increasing total numbers by about a quarter. Its

main aims were threefold: to ride herd on interdepartmental "policy coordination" (in the sense of implementation); to track programmatic progress toward Presidential goals ("management-by-objective"); and to spur improvements in such spheres as personnel administration (not least, collective bargaining, a new wrinkle at the federal level).

Nothing really happened. The non-careerist "management associates" turned out to be amateurs in government and politics; business school products from private life, with confidence and ignorance miraculously combined. Accordingly, careerists at OMB hunkered down into the budget process, drawing the best non-careerists after them, closing out the rest. As the National Academy of Public Administration recently observed (October 1976): "the people who are still in the management side of OMB have no direction, no charter, no sense of leadership."

Choosing Your Director. Despite its troubles, the OMB career staff is still relatively high-grade, professionalized, disciplined and imbued with an ideal of service to the Presidency, hence to you personally. They will turn in a trice from Ford's service to yours, if you let them. So you need at once to win them, use them and prepare them for reform.. This means your budget director needs to be not only an accomplished staff advisor, but also, at the same time, a determined and adroit internal manager/leader.

For all the foregoing reasons, the new OMB Director's job will be difficult. He must engineer reform of the federal budgeting process; cooperate with your policy aide in developing programs and reorganizing the government; and revitalize and rebuild his organization. All this will require time, as well as understanding and backing from you and your personal staff.

The importance of the working relationships between and among your chief program aide, OMB Director and Chairman of the CEA cannot be emphasized too much. They will be constantly in harness with each other and will need constantly to rely on each other's judgment. Since all three will be associated with the FY 78 budget revision effort, it would be helpful if you could announce their appointments simultaneously. If the Secretary of the Treasury were named at the same time, the President-Elect's fiscal and monetary policy "Troika" (plus your program aide) would be in place. This arrangement could have significant advantages for you. By putting a strong team of high level officials to work on economic and budgetary matters right away, you would indicate their priority on your agenda. You would also give early momentum to the career staffs whose help you must have.

If the Troika is on hand, you could have your senior White House program aide coordinate their efforts, at least until you get to know them and their working styles. It is important to the credibility of the new Administration that early statements

and actions on economic and budget matters be purposeful, well-coordinated and consistent with what you want. Periodic meetings of the Troika with you and your chief program aide will be of great help in achieving the desired coordination and direction.

* * * * *

III. THE COUNCIL OF ECONOMIC ADVISORS

Along with OMB, the Council of Economic Advisors is the oldest of the staff units in the Executive Office, created in 1946 under the Employment Act. Its principal duty is to furnish you with advice and analysis on economic issues and policies. It does so through informal counsel to you and your personal staff; through participation in the "Troika" (CEA, OMB and Treasury) and other Cabinet-level bodies; and through the preparation of the annual Economic Report of the President, the closest thing we now have to a comprehensive picture of the economy.

The CEA is composed of a chairman and two members, plus about 25 professional staff. Its annual budget is \$1.7-million. Traditionally, the economists on the staff have been drawn from prominent university faculties for two-year stints. The Chairman of the CEA serves on a number of interagency committees.

Unfortunately, the CEA in its present form cannot meet several of the needs I believe you will want and need to have filled.

A. "Microeconomic" Analysis

Both tradition and long-prevalent Keynesian economic thinking have focused the CEA's efforts on relatively short-term, "macroeconomic" (i.e., related to the national economy as a whole) issues such as GNP, employment, price levels and productivity. Increasingly, however, the economic problems crossing the President's desk are "microeconomic" in nature (i.e., related to particular industries or sectors of the economy). These include problems of supply management (e.g., oil pricing, shortages of basic materials); industrial performance (e.g., the northeastern railroads); and sectoral impacts (e.g., the effect of environmental controls on agricultural production).

Having some staff available in the microeconomic area would help you and your program aides to evaluate the economic effects of Congressional proposals and to support White House alternatives to existing agency programs. It would also enable us to staff various interagency committees and Cabinet-level working groups, and thereby reduce our dependence on departmental viewpoints. Finally, it would help to bridge the gap between CEA's role in the short-term, annual budget planning process, and its broad-gauged Economic Report.

B. Medium and Long-Range Forecasting

CEA's work is largely keyed to the Annual Economic Report of the President. OMB's work is keyed to the annual budget cycle. An analytical capability is needed to help you consider the long-range effects of alternative policies. Such a capability is essential to answer the "what would happen if" questions that you will constantly raise or otherwise be faced with.

If you decide to have greater microeconomic and forecasting resources available to you, it will be necessary to increase staff by approximately 15 - 25 people (professionals). Some of this staff could be drawn from the Council on Wage and Price Stability, but most would be new.

The CEA is in many ways the logical repository for this staff. Its Annual Economic Report, expanded to include sectoral analysis and more extended forecasts, would quickly integrate these new functions into a closely-related, ongoing, action-oriented CEA process. Adding so much staff, however, would alter the character of the institution, requiring new levels of administration, new areas of expertise and a loss of academic collegiality.

Some have suggested that placing the new staff in OMB would lend it the legitimacy of an established and professional agency of demonstrated use to you, but I doubt the new unit would be best-placed in an agency that is now so closely attuned to the annual budget cycle and short-term considerations.

Still another option is to expand the Council on Wage and Price Stability to include this new analytical capability. The CWPS does not have the CEA's tradition of collegiality, and the new staff would augment the CWPS's ongoing analytical duties. On the other hand, integrating this new staff capability at CWPS with the preparation by the CEA of the Economic Report would be more difficult.

* * * * *

IV. NATIONAL SECURITY AFFAIRS

The national security affairs staff will be a primary source of information for you about events abroad and will manage your day-to-day business in the national security area, helping resolve Departmental differences, coordinating inter-agency issues and crisis management and working with OMB to put your stamp on the Defense Budget. The nature and extent of the role of the National Security Assistant and his staff depend on your definition of roles for your Secretaries of State and Defense, and others, and the kind of national security system you want. Whatever you decide, you will need a competent national security staff at your elbow, following your schedule, monitoring your key projects and concerns and making sure all departmental viewpoints are fairly aired and coordinated.

Historically, there have been basically three approaches to national security decision-making:

- (a) White House-dominated (early Kissinger);
- (b) State Department preeminence (with White House staff back-up and monitoring);
- (c) A decentralized system (Departments and agencies take the lead on issues within their areas of primary responsibility, appropriately involving other agencies with major interests, with the NSA staff overseeing and protecting your interests).

You have already stated clearly your intention to revive the Cabinet, establishing face-to-face relations with key Secretaries, utilizing them as your chief counsellors on matters of substantive policy and as the managers of line operations. In the National Security arena what you need first and foremost from your White House Assistant is an essential contribution that no one else can or will provide: first-class staffing -- as planners, coordinators, expeditors, and guarantors of the process -- not as decision-makers, operators, negotiators, or emissaries to foreign capitals. The "White House-dominated" approach does not fit this design.

The "State Department preeminence" approach is adjudged almost unanimously as unworkable because of (1) traditional State Department unresponsiveness to Presidential concerns, and (2) the inevitable bureaucratic struggles by other agencies against State Department domination in areas in which they have important interests.

The lead agency approach is appealing because it treats as a fact of life the existence of strong agencies with legitimate but sometimes competing interests. It would also assure Presidential direction, since competing senior officials would be seeking Presidential support. Your National Security Assistant would be responsible for monitoring the lead agency system to make such interagency cooperation work. An absolute precondition for his success is your confidence. Senior officials must know that he speaks for you, not as their leader, but as your staff representative and coordinator.

Your difficulty will be in keeping your personal national security aide confined to the staff role. Since the days of McGeorge Bundy in the Kennedy White House, the President's National Security Assistant has had powerful institutional resources inside the White House which naturally tend to give the men holding that position supra-staff status. With an elite staff, exclusive access (among senior White House aides) to the cables coming into the Situation Room, and proximity to the President, the National Security Assistant has frequently attained an independent status -- a status which elevated him from being merely another staff member and made him a co-equal with the Secretaries of State and Defense in making national security policy.

(Kissinger is an obvious example, but remember that McGeorge Bundy shared the stage with Rusk in taking the blame and credit for Kennedy initiatives, and Rostow sat as at least an equal in

Johnson's exclusive Tuesday foreign policy lunches with the Secretaries of State and Defense.)

Given this record, I think it's very important for you to select your national security aide carefully to fit "personality" to "system" in your White House. A second caution naturally follows. Your national security/foreign affairs assistant(s) should be chosen as a member of the team which will help you manage the nation's foreign policy. That team consists essentially of you; the Secretaries of State and Defense; the Secretary of the Treasury; and the Director of CIA. In making your selection, you should choose, not only the best persons for each job considered apart, but the best combination of advisors whose individual skills and styles will mesh to make the strongest team. In other words, you must keep sharply in mind the position you want each to play and the way you want these key individuals to relate to each other. In particular, because you want your National Security Assistant to play a very different role than the one played by Kissinger -- in effect, to be the third, fourth or fifth member of the team, rather than the second or even the first -- you should select individuals whose talents suit that position and complement those of the other members. For this reason, it would be wise not to announce your national security aide first, as Nixon did with Kissinger, but after you have selected your Secretaries of State and Defense.

Meshing Foreign/Domestic Policy

There is a danger in staff assignments that distinguish sharply between "foreign" and "domestic" affairs. Intellectually, the distinction seems handy. Organizationally, the disjunction between foreign and domestic issues is enshrined in the White House itself -- with the National Security Council on the one hand and the Domestic Council on the other. Professionally, individuals tend to become experts in one realm or the other. But in practical terms, the major issues of the decade ahead -- nuclear proliferation, energy, international economics, food, Israel -- defy classification as either "foreign" or "domestic" affairs. Such issues are both, and both at the same time. Reducing the distinction between foreign and domestic issues means that all your substantive staff, whether "domestic" or "National Security" should work closely together -- a practice you can assure by giving them overlapping jurisdiction with you in the middle of the ring. This also means that in choosing key assistants and their deputies for "National Security" you should avoid narrow-gauged foreign affairs experts who regard domestic policy as beyond their purview. It was just this tunnel vision on Kissinger's part that contributed to the August 1971 collapse of the Bretton Woods system and to repeated failures in agricultural, energy and nuclear policy.

In a subsequent memo on national security affairs organization, I suggest some options for dealing with this problem. I believe that the best approach is to have a deputy for international

economic policy assigned to the staff of the program aide (he has traditionally worked under the national security aide) with a similar counterpart on the National Security Council staff.

This arrangement would give the program aide a clear mandate to keep domestic and foreign policy considerations in balance as policy is made. To assist him with the staff work required on these issues, the deputy for international economic policy could direct the CIEP staff, much as the program aide or his deputy would direct the policy coordinating staff described above.

Recommendations to do away with the Domestic Council and the Economic Policy Board (discussed in a subsequent memo) reflect my inclination, and what I believe is yours, toward smaller, less formalized, more ad hoc groupings to deal with problems deserving White House attention. In this area of foreign economic problems, I am suggesting that two deputies, one to your program aide and one to your national security aide, work together to deal with these cross-cutting domestic/foreign issues.

But two further points deserve to be made:

(1) Foreign economic policy-making and its coordination are hard; no President before you has organized properly to do the job well; increasingly, the issues are of Presidential size.

(2) Another approach to the one I propose deserves your further consideration after necessary staffing: You could establish an executive committee of the Cabinet (Ex-Cab) composed

of the Secretaries of State, Defense, Treasury, HEW, plus other Cabinet officers as appropriate, to serve as the chief forum for high level review and decision of all major policy issues that combine substantial foreign, domestic and economic concerns. Membership would include the President's key staff, his OMB Director, program aide and national security aide. Ex-Cab's staff would be the combined staff of the NSC, the Domestic Council and the Economic Policy Board.

Some argue that Ex-Cab would provide the advantages of collegial Cabinet participation, while avoiding the unwieldiness of the full Cabinet. They contend that by creating the base for a central integrated Cabinet staff, you would ensure that issues are identified early and treated fully. The argument against is that, as described, Ex-Cab would still be unwieldy, and would still suffer from all the disadvantages of a large formalized deliberating body.

Obviously, no decision on any move such as this should be made until we've had a lot more time to study and discuss it.

POSTSCRIPT

After all is said and done about how to organize governments and White House staffs, the success of your Presidency and your reflection in history will be determined, not by organizational structures or management theories, but by people. In the final analysis, you really have only one initial task of overriding importance -- and that is to choose wisely and well the men and women who will serve with you in this great adventure.

God be with you.

A handwritten signature in cursive script, appearing to read "Jack", is written below the text "God be with you.".

Number of
Positions

783

751

1073

1565

1600

1400

1200

1000

800

600

400

200

Vice
President - 55

OMB
680

Other
345

White
House
485

OMB
550

Other
256

White
House
250

OMB
425

Other
71

White
House
250

OMB
498

Other
73

White
House
210

Truman
Administration

Eisenhower
Administration

Johnson
Administration

Ford
Administration

- Note 1: OMB was formerly Bureau of the Budget
- Note 2: White House staff figures are understated because they do not include persons detailed from other Federal agencies
- Note 3: Excludes war related offices
- Note 4: Excludes office of Defense Mobilization (235)
- Note 5: Excludes Office of Emergency Planning (260)
- Note 6: Numbers for Vice President estimates in first three columns.

WHITE HOUSE STAFFING ARRANGEMENTS FOR THREE PRESIDENTS'

	KENNEDY	JOHNSON	FORD
PRESS RELATIONS	Pierre Salinger (Press Secretary to the President) • 5 Assistants ²	George Christian ³ (Press Secretary to the President) • 5 - 8 Assistants	Ron Nessen (Press Secretary to the President) • 6 - 10 Assistants
MANAGEMENT OF PRESIDENT'S TIME (APPOINTMENTS, PAPER FLOW, SCHEDULING)	Kenneth O'Donnell (Special Assistant to the President)	Jim Jones: (Appointments Secretary) Nominally reporting through Marvin Watson	Richard Cheney (Assistant to the President)
ADMINISTRATION (LOGISTICS OF WHITE HOUSE SUPERVISION OF SUPPORT STAFFS, CABINET SECRETARY)	Kenneth O'Donnell (Special Assistant to the President) Ted Reardon (Special Assistant to the President) (Cabinet Secretary among other roving assignments)	Marvin Watson (Special Assistant to the President)	Richard Cheney (Assistant to the President)
POLITICAL RELATIONS (LIAISON WITH DNC & OTHER PARTY MATTERS)	Kenneth O'Donnell (Special Assistant to the President)	Marvin Watson (Special Assistant to the President)	Robert Hartmann (Counsellor to the President)
PERSONNEL DECISIONS	Ralph Dungan (part-time) (Special Assistant to the President) (other roving assignments)	John Macy (part-time) (Chair, Civil Service Commission)	Douglas Bennett (Director, Presidential Personnel Office) reporting through Cheney
CONGRESSIONAL RELATIONS	Larry O'Brien (Special Assistant to the President) • 1 Assistant -- Senate • 3 Assistants -- House	Barefoot Sanders ⁴ (Special Assistant to the President) • 2 Assistants -- Senate • 4 Assistants -- House	Max Friedersdorf (Assistant to the President for Legislative Affairs) reporting through John Marsh (Counselor to the President) • at least 2 Assistants - Senate • at least 4 Assistants - House

	KENNEDY	JOHNSON	FORD
LEGISLATIVE PROGRAM AND DOMESTIC POLICY AND OPERATIONS	<p>Ted Sorenson (Special Counsel to the President)</p> <ul style="list-style-type: none"> • 2 Assistants <p>Jerome Weisner:⁵ (Special Assistant to the President)</p>	<p>Joe Califano⁶ (Special Assistant to the President)</p> <ul style="list-style-type: none"> • 5 Assistants <p>Douglass Cater (Special Assistant to the President) (Education and Health)</p> <ul style="list-style-type: none"> • 1 Assistant <p>Harry McPherson (Special Counsel to the President)</p>	<p>William Seidman (Assistant to the President for Economic Affairs)</p> <ul style="list-style-type: none"> • 3 Assistants <p>Philip Buchen (Counsel to the President)</p> <ul style="list-style-type: none"> • at least 4 Assistants
SPEECHES AND MESSAGES	<p>Ted Sorenson (Special Counsel to the President)</p>	<p>Harry McPherson</p> <ul style="list-style-type: none"> • 4 - 6 Assistants <p>John Roche (Special Counsultant to the President)</p>	<p>Robert Hartmann</p> <ul style="list-style-type: none"> • 10 - 12 Assistants
NATIONAL SECURITY POLICY	<p>McGeorge Bundy (Special Assistant to the President)</p> <ul style="list-style-type: none"> • 8 - 12 Assistants 	<p>Walt Rostow (Special Assistant to the President)</p> <ul style="list-style-type: none"> • 12 - 15 Assisnats 	<p>Brett Snowcroft (Assistant to the President for National Security Affairs)</p> <ul style="list-style-type: none"> • Number of Assistants unknown
MISCELLANEOUS ⁷	<p>Arthur Schlesinger (Special Assistant to the President)</p> <ul style="list-style-type: none"> • Liasion to intellectuals, U.N., etc. 		<p>Bill Baroody (Assistant to the President for Public Liaison reporting through John Marsh (Counsellor to the President))</p> <ul style="list-style-type: none"> • 8 Assistants • liaison responsibilities in specific areas (e.g. women, consumers, etc.)

NOTES

1. This list includes only assistants who were present for a relatively long period. Many others were present for shorter periods. One cannot draw clear distinctions between the duties of the several aides shown. Many jurisdictions overlap; this chart lists the aide with primary responsibility for a particular function. Some staff functions were supplemented by non-White House staff. For example, Bobby Kennedy was the chief channel for political patronage during the Kennedy years; the Director of the OMB and the Domestic Council have White House titles in the Ford Administration.
2. Numbers of assistants fluctuated and therefore should be regarded as reasonable estimates. This is true for all the numbers on the chart.
3. George Christian was the last of four press secretaries. Others were Salinger, Reedy, and Moyers.
4. Sanders replaced O'Brien who served during much of Johnson's term.
5. This function was later institutionalized in the executive office of the President.

6. This arrangement reflects the late Johnson years, after the departure of Bill Moyers and Jack Valenti.
7. The legal duties of examining requests for Presidential pardons and reviewing enrolled legislation for the President's signature is not included as a distinct function in this chart. It has usually been combined with other more substantive responsibilities in the Office of Special Counsel.

MEMORANDUM

TO: ~~Senator Mondale~~
FROM: Ray Calamero
RE: Domestic Council

Introduction -- Creation and Functions

The Domestic Council was established in the Executive Office of the President by Executive Order 11541, July 1, 1970.

The Government Manual describes the purpose of the Council as "to formulate and coordinate domestic policy recommendations to the President. The Council assesses national needs and coordinates the establishment of national priorities; recommends integrated sets of policy choices; provides a rapid response to Presidential needs for policy advice on pressing domestic issues; and maintains a continuous review of ongoing programs from a policy standpoint."

Composition

The Domestic Council is composed of the following members and senior staff:

Domestic Council

The President of the United States
The Vice President of the United States
Secretary of the Treasury
Attorney General
Secretary of the Interior
Secretary of Agriculture

Secretary of Commerce

Secretary of Labor

Secretary of Health, Education and Welfare

Secretary of Housing and Urban Development

Secretary of Transportation

Director, Office of Management and Budget

Chairman, Council of Economic Advisers

Administrator of Veterans Affairs

Administrator of the Environmental Protection Agency

Chairman, Council on Environmental Quality

Director of ACTION

Executive Director, Economic Policy Board

Executive Director, Energy Resources Council

Executive Director, (Assistant to the President for Domestic Affairs)

2 Deputy Directors

10 Associate Directors

4 Assistant Directors

The Council operates through a series of ad hoc project committees which may be set up to deal with either broad program areas or specific problems. The Committees may draw for staff support on department and agency experts, supplemented by the Council's own staff and that of the Office of Management and Budget. The Council staff operates under an Executive Director who is also one of the President's assistants.

History

The Domestic Council was created by President Nixon in

1970, under a Congressionally approved reorganization plan. On the model of the NSC, it was to coordinate the President's dealing with the Great Society's domestic programs.

It absorbed the previously established Urban Affairs Council, Rural Affairs Council, and Environmental Affairs Council, which were working groups of Cabinet members with a shared concern for a particular policy problem. The critical staff work for each working group was done by departmental staff assisted and coordinated by a very small council staff.

President Nixon chaired a large number of those meetings at first. This is thought to be an important factor in the early success of the Council (e.g., revenue sharing and welfare reform proposals.)

The Domestic Council's staff was enlarged to about 40 when it was run by John Ehrlichman. It is theorized that the Council's assuming a primary role in formulating, or even dictating, policy contributed to its decline in impact over the past four years. In line with this trend is the trend toward a larger staff which was tempted to act as a policy making staff rather than as a staff to coordinate policy making by agency heads or their designees.

Under Rockefeller, the Council has been used as something of a long-range planning mechanism. Overall, its reputation for effectiveness is very low.

Although instituted under President Nixon, the concept underlying the Domestic Council was originally proposed by Joe Califano when he worked for President Johnson. A memorandum prepared for Governor Carter states that Califano -- deplores

the metamorphosis of the Council under Nixon; and

-believes in its present form it is unnecessary and impractical; and

-urges a return to a small staff for the policy side.

You may want to discuss Califano's views with him in more detail.

Proposals for President-Elect Carter

JACK WATSON

One memorandum^A urges the abolition of the Council with the establishment of ad hoc task forces to solve particular problems. The task force would be chaired by the Cabinet member from the "lead" agency involved. A minimal White House staff (about 7-8) would assist a Presidential program aide in coordinating, but not directing such task forces. This memo, which recommends a highly strengthened OMB, also suggests the possibility of placing these coordinating functions with OMB.

STUART EISENSTAT

Another memo^A argues that such an approach, abolition, is misguided. It suggests that the problems with the Council have been due to the way it was run, not to its essential nature, and that the Council needs to be redirected, not abolished.

It recommends:

- reducing the staff from 45 to about 25-30 and well directed;
- making clear to Cabinet members and others the President's confidence in the Council;
- giving the President's top policy aide day-to-day oversight of the Council.

This memo also criticizes the greater reliance on OMB for policy formulation and criticizes also the ad hoc task force approach. The ad hoc task force might work, it is argued, for longer-range problems, but it would be deficient for short-range, day-to-day needs. A point is also made that President-Elect Carter's image as a manager would not be enhanced by a plethora of ad hoc groups.

An argument which is not explicitly made in these memos is that the Council, or a similar mechanism, is necessary to assure the Cabinet government promised by the President-Elect. Without some such structure coordination would be minimal, power struggles among Cabinet members might ensue, and the risk would exist that instead of an interested Cabinet there would be a few, very powerful barons who made all domestic policy themselves.

(It is interesting to note that there seem to be no serious proposals to abolish the structurally-similar NSC.)

ROUTINE
PRECEDENCE

UNCLAS
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Maxie Wells, Plains
TO: Hamilton Jordan
Transition Planning Group
HEW Building
Washington, D. C.
INFO:

DEX _____

DAC 42

GPS _____

LDX _____

PAGES 5

TTY _____

CITE _____

DTG: 140301Z DEC 76

RELEASED BY: wc

TOR: 140345Z

SPECIAL INSTRUCTIONS: Deliver O.O.B.

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ROSWELL, GEORGIA 30075
404 897-7150

MEMORANDUM

9
/

TO: President Elect, Jimmy Carter DATE: December 16, 1976
FROM: Bob Lipshutz RE: Hugh Carter

This will confirm the report given to you by me a few days ago.

Should you wish to appoint Hugh, Jr. to a position in the Federal Government, it would be legal.

Although a first cousin could not be appointed by you under the Federal Law, a "first cousin once removed" could be.

I am getting a copy of a ruling which was obtained through the cooperation of Mr. Phil Buchen, current White House counsel.

1mm
PRECEDENCE

UNCLAS
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Maxie Wells, Plains

TO: Jack Watson

INFO:

DEX _____

DAC 062

GPS _____

LDX _____

PAGES 1

TTY _____

CITE _____

DTG: 182055Z DEC 76

RELEASED BY:

TOR: 182159Z DEC 76

SPECIAL INSTRUCTIONS:

Jack:

I wasn't sure you had gotten any feedback from JC on this memo, even though it is so old (I just got it back from him today; guess he's been studying it).

Only feedback was note in upper right hand corner:

"Meeting on overview
(composition)
Expedite TIP"

I don't know if this means anything to you; doesn't especially to me.

I've filed memo down here.

Maxie

November 3, 1976

MEMORANDUM

*Meeting on overview
(composition)
Expedite TIR*

TO: Jimmy Carter
FROM: Jack Watson *JW*
SUBJECT: SOME THOUGHTS ON ORGANIZING THE EXECUTIVE
OFFICE OF THE PRESIDENT


General Comments.

The purpose of this memorandum is to outline and discuss certain options for organizing the major units of the Executive Office of the President. The paper is divided into four parts: (1) White House Staff; (2) Office of Management and Budget; (3) Council of Economic Advisors; and (4) National Security Affairs.

The ideas and options presented here are offered simply to help you focus on the structure of your Presidency and some of the key relationships between and among you and some of your principal assistants.* They are neither exhaustive nor exclusive. After talking, reading and thinking about the subject for several months, I am convinced that the critical ingredient in these particular matters is your personal comfort. In a very real sense, there are no experts on Executive Office organization because every President has shaped the office to meet his own style and needs. You will do the same thing, and should.

Although these options are obviously only tentative and suggestive, they have not been randomly selected. I have tried to be guided by principles that I think reflect your

* Note: The use of masculine nouns and pronouns throughout this paper is intended to include the feminine gender.



For _____
Date _____

WHILE YOU WERE OUT - ov

As per your request - Stu's
two memos on WH organization.

Or _____
Phone _____

GS

Telephone	Came to See You
Returned Your Call	Go to See Him
Will Call Again	Important
Please Call	Rush

Remarks: _____

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C
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TO: President-Elect Carter
FROM: Stu Eizenstat
RE: Organizing the White House Staff

Before our meeting on Monday, I wanted to give you my thoughts on Jack's thoughtful memorandum about the organization of the White House Staff. Without doubt, the subject of that memo involves the most important non-personnel decisions you will make during the transition period. For the way in which the White House is structured inevitably will determine your ability to manage the Executive Branch, your relationships with the Cabinet, Congress, and interest group leaders, the formulation of your programs, and the public perception of your performance.

Let me preface my thoughts on that structure, however, with brief comments on two related matters. The first concerns the public announcement of your White House Staff. I understand that you are committed to an announcement of part of your staff in the coming week. I think that any public announcement should include enough names so that it is clear women and blacks will be included on your White House Staff.

The second comment concerns the tone of your White House Staff-- a tone which must be set from the very beginning. It is clear from Bo Cutter's budget memo that you will have little financial room during the next four years; satisfying the new-program demands of many of the groups which helped elect you will as a result be extraordinarily difficult, if not impossible. One important way to insure against a decline in public support which may result from unsatisfied

demands is the initial setting--and a 4 year continuation of a White House tone which indicates you and your staff are truly committed to an open, a responsive, and a frugal and austere government.

Such a tone can be promptly put forward and maintained through a number of steps, without financial consequence. The tone of openness and responsiveness can be set by 1) holding full-scale press conferences at least twice a month (as you indicated during the campaign); 2) holding news conferences in different regions of the country and outside Washington at which ordinary citizens can ask questions; 3) spend regular periods of time outside Washington meeting with citizens to learn their problems and suggestions; 4) holding a regularly scheduled People's Day in the White House (similar to the ones you held as Governor); 5) spending a few hours a month in well publicized calls to experts outside the government, throughout the country, to listen to their ideas--it is time that people around the country not part of the Administration felt that they could have direct input to their President; 6) visiting for a day at a time Federal agencies and Departments in Washington to find out what they're doing and to meet with middle and low-level employees to demonstrate your commitment to an efficient and responsive federal government and to learn of their problems and suggestions (as JFK did); and 7) regularly dining at the home of an average family (as Giscard d'Estaing regularly does). I am not suggesting that you do all of these--or similar--things, but that by regularly doing those which you feel comfortable with, you can establish trademarks for your Administration which convey to the public a tone of openness-responsiveness. In addition, you should by early Executive Orders:

1) require full financial, income tax and conflict of interest disclosure by top appointees; 2) require the logging of meetings with lobbyists by your top appointees, with public examination permitted of such logs; 3) expand the existing sunshine legislation which now covers only regulatory agencies.

The importance of simultaneously setting an austere tone cannot be overemphasized. That is clear from Jerry Brown's experience: his popularity in California is apparently due not to programs he passed, but rather due to the "no frills" tone he established by such actions as rejecting the multitude of limousines, the Mansion, and certain other frills of his office. At the Presidential level a few steps can be taken immediately and followed-up periodically with similar ones--which can go a long way toward convincing the public of your commitment to an austere, non-Imperial Presidency and can maintain public support during what can be tough economic times. For example, you could 1) eliminate chauffeur service for many of the employees who now receive it (including certain though not necessarily all of the White House Staff); 2) require tourist-class travel by government employees; 3) occasionally fly commercial yourself (as Nixon did during the energy crisis); 4) sell the Presidential yachts; 5) eliminate much of the lavishness from White House dinners; 6) end the subsidization of low cost luncheons for the White House Staff; and 7) generally reduce much of the unnecessary pomp associated with the Presidency.

If you are interested in pursuing ideas along the above lines, I can prepare a much more detailed discussion.

*

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I think Jack did an excellent job in setting out the basic problems you face in organizing the White House Staff. In many areas I agree with his proposed solutions to these problems: I strongly agree, for instance, that the top staff structure should not be hierarchial, that the staff not try to manage the Departments, that the staff should not be rigidly departmentalized in its assignments, and that you cannot allow the staff to be your sole conduit to the Cabinet, or to Congressional public opinion and interest group leaders.

There are some areas of disagreement I would like to point out and other areas where I would like to further elaborate on Jack's memo:

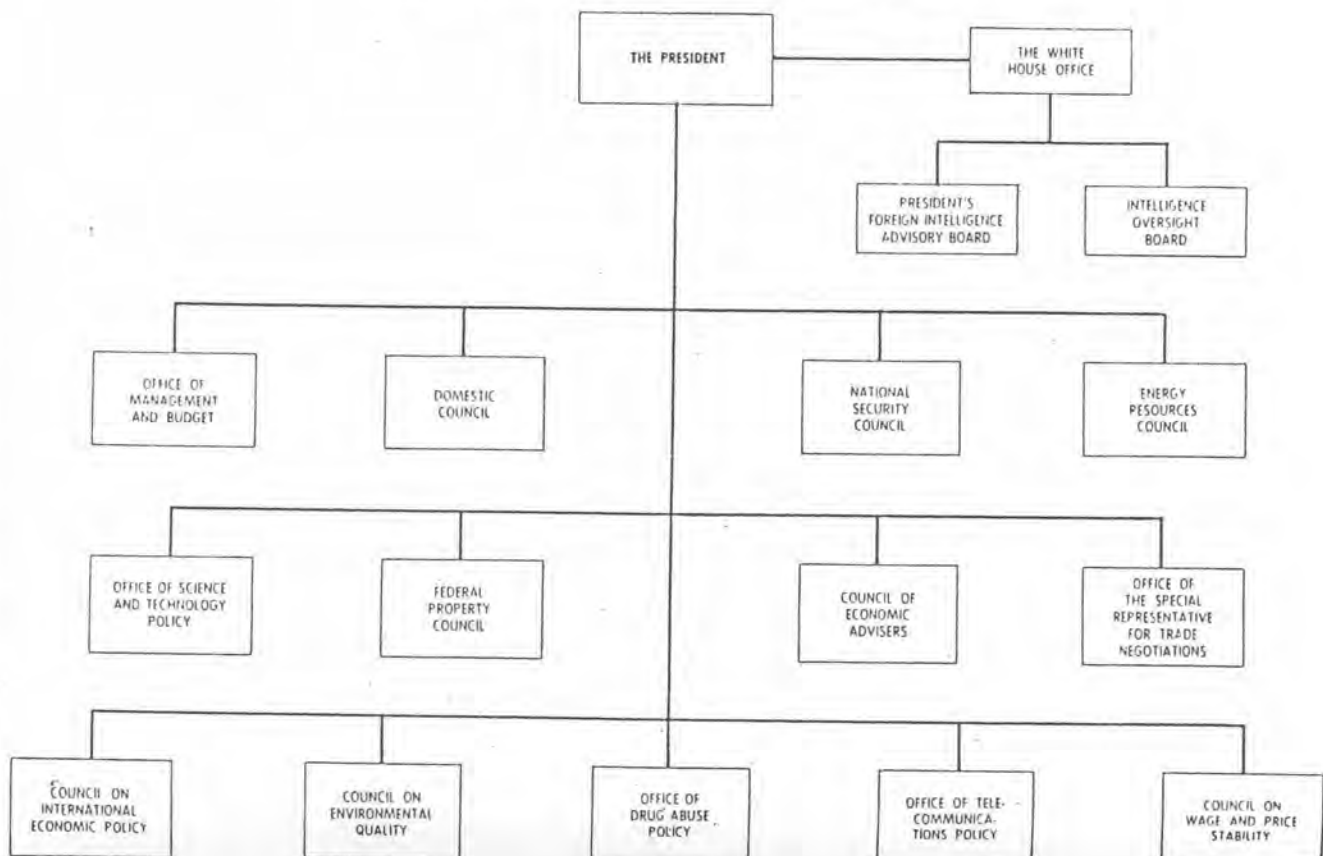
1. Size (Page 2 of Jack's memo). You are committed to reducing the size of the White House staff, though you are not committed to any specific percentage or figure reduction. I am sure that the 485 positions now on the White House payroll can be sliced by at least 10-15%. But it is difficult to make that judgment until we know what each of those persons now does. Jack may be able to provide that breakdown with information he already has.

It is incorrect to assume that the White House Staff can be reduced merely because it will be "backed up" by other parts of the Executive Office of the President, which apparently are not slated for a sizeable reduction. I strongly believe that every part of the Executive Office can be reduced, and reduction of their size should occupy as much of your time and your staff's time as reduction of the White House staff.

The Executive Office of the President has many more parts than the White House staff. Jack has mentioned four of the largest ones: OMB (650 employees, \$25 million budget), NSC (170 employees, \$3.2 million), Domestic Council (40 employees, \$1.7 million), and CEA (40 employees, \$1.7 million). However, there are a number of other significant parts to the Executive Office: Council on Wage and Price Stability (40 employees, \$1.6 million), Office of Telecommunications Policy (41 employees, \$8.2 million), Council on International Economic Policy (21 employees, \$1.45 million), Office of Federal Procurement Policy (27 employees, \$1.6 million), Council on Environmental Quality (50 employees, \$2.7 million), Office of the Special Representative for Trade Negotiations (46 employees, \$2.1 million), and Office of Science and Technology (24 employees and \$1.6 million).

In addition, there are a number of parts of the Executive Office which have smaller or no budgets, do almost nothing, but do exist: Energy Resources Council, Federal Property Council, and Foreign Intelligence Advisory Board. A look at how all of these pieces supposedly fit together is set forth below:

EXECUTIVE OFFICE OF THE PRESIDENT



All of the above bodies must be carefully reviewed during the transition, with an eye towards substantial reduction in their size, or even their elimination, in some cases. So when you later talk to the American people about having reduced the size of the Presidency and returned power to the Cabinet, you can talk more than just about the actual White House Staff (which is all that Ford was able to do, since the other parts of his Executive Office continued to grow).

Once attention is focused in the transition on the entire Executive Office, serious thought should be given to a complete reorganization of the Office. Reducing its size is, of course, a worthwhile enough goal. But a structural reorganization--if justified--could be announced prior to your taking office and would be demonstrable proof of your commitment to reorganizing the federal government. To my knowledge there has been no reorganization of the Office since at least the last Hoover Commission; bodies have been added or subtracted as seen fit at a given time. You should not be wedded in your day-to-day work to the structure left by your predecessor.

2. Office of Congressional Relations (P. 20 of Jack's memo). I fully agree that there should be an assistant for Congressional Relations of roughly equal status to your other top staff members. That assistant will be your main representative to Congress, and he clearly needs ready access to you (as well as the Congressional and public perception that he can speak for you, and not only another assistant).

For a President who has never served in Congress (but will be asking so much of it), the need for an exceptional Congressional

Relations operation is apparent and really needs no further comment. But there are two special aspects of that operation which should be discussed.

First, the lobbying effort should, as a general rule, be carried out by the Cabinet Department responsible for a bill. The White House should backstop that effort (providing assistance where needed) and should coordinate the Departments' lobbying efforts. Only on certain occasions should the White House take the lead in the lobbying effort.

This approach to Administration lobbying is the one I saw at the White House during the Johnson years. Weekly meetings were held by the White House Congressional liaison office with the chief lobbyists employed by each Department. The bills pending for the next week were reviewed and lobbying approaches discussed; and the White House was thereby able to coordinate what would happen on the Hill for the following week. During the Nixon-Ford years, this approach was abandoned, with almost all major lobbying by the Administration being done from the White House. The Cabinet Departments were typically left in the dark about their own bills.

A return to the Johnson approach has several advantages. First, it makes much more sense, for those who really know about most of the bills are in the Departments, not the White House. Second, the limited White House lobbying staff will not have the resources to effectively do much more than coordinate. (Because yours is the first Democratic Administration in 8 years--and nearly 70% of the members of Congress have never served under a Democratic Administration--your Congressional

relations staff will be spending a great deal of time trying to meet non-legislative demands (social, patronage, etc.). Third, one of the best ways to honor your commitment to return power to the Cabinet is to allow it to take the lead on its own programs. Of course, this lobbying effort should be tightly controlled, monitored, and coordinated by your White House office of Congressional liaison.

My second concern about the lobbying effort is that it be coordinated with the policy adviser. Again, under the Johnson approach, those involved with lobbying kept in close touch with Califano. Without that type of close coordination, any lobbying effort will fall apart; those who do the lobbying will not know what in a bill can be sacrificed and what cannot. Some type of regular coordination process should be established to ensure that close relationship.

3. Vice President in Congressional Relations (Page 26 of Jack's memo). I agree with Jack that the institutional conflicts make it virtually impossible for a Vice-President to undertake a formal lobbying role, as a regular line responsibility. Because those conflicts are so strong, I doubt that Senator Mondale--despite the wide respect for him on the Hill--could even be, on an informal basis, one of your chief and most trusted lobbyists. Such a role would entail his publicly becoming involved on a regular basis in pushing Administration bills (though he is the presiding officer of the Senate).

Senator Mondale's greatest value in Congressional relations should be in providing lobbying advice to you and your staff. Because

of his knowledge of the Hill, that advice would be invaluable. Of course, with Senators and Congressmen with whom he is close, Senator Mondale can from time to time talk about pending bills, but that should largely be the limit of his personal lobbying.

The question of what role Senator Mondale should play in the Administration is naturally raised by this discussion. My recommendation is that he be given line responsibility for a number of major areas in which he has expressed interest and in which there is real need, such as reorganization, regulatory reform, intelligence community reform, a federal criminal justice effort, international economic policy, head the SALT team, etc. Such a role could give him day-to-day responsibility, as well as provide him with enough time to be a top adviser to you and your staff. It would make the first time in history a Vice President had regular line authority and would underscore your commitment to make his role meaningful.

Whatever role and responsibilities you are envisioning for Senator Mondale, I think they should be set and announced as soon as possible. Otherwise, we can expect--and deserve-- a spate of stories about how this extremely valuable member of the ticket appears to be heading the way of all of his predecessors.

4. Program and Policy Assistant (Page 28 of Jack's memo). I agree with Jack that there should be one assistant primarily concerned with the President's legislative program, with his domestic policies, and with coordination of Cabinet actions affecting the domestic policies. That is a job that has been performed for all recent Presidents by one person; dividing the job would clearly produce undirected and uncoordinated domestic advice.

I also agree with Jack that this domestic assistant must be given the freedom to advise on certain foreign policy and defense matters. Indeed, one of LBJ's great failings was that he had no personal staff person available to comment on foreign policy advice which he received from his foreign policy experts, such as the Secretary of State and the head of NSC, and therefore got locked into their prejudices. One of the great mistakes of recent Presidents has been to segment domestic and foreign policy, as if there were no interrelationship. Many of the most critical foreign policy decisions have domestic, political, economic and social impacts (energy, defense cuts, food, and trade)--most of which have often been ignored by the foreign policy advisers. That clearly should not be allowed to happen in your Administration. I think, as apparently Jack does also, that the solution lies in allowing the domestic policy adviser to play a role in advising on foreign policy when there will be a clear domestic impact to a decision.

My major disagreement with Jack's description of the domestic policy assistant concerns the staffing of the assistant. Jack has proposed limiting the assistant to about 7 staff members. Such a limitation might be workable if the policy assistant could draw upon, as is presently the case, the staff of the Domestic Council. But Jack has also proposed its elimination as well.

In essence what has been proposed is to have the policy assistant do all of the work Jack has outlined--agency coordination, advising the President, developing the legislative package, responding to Congressional inquiries, supervising a variety of Federal Task Forces, and assisting the speechwriters and Congressional lobbyists--with about the same size staff Califano had and strongly believed was

much too small some eight years ago. I saw the difficulties his small staff had in coping with their demands on a first hand basis when I was in the White House in 1967-68. His staff should have been twice as large. It was precisely because Califano's small staff could not do anywhere near the work it was charged with that, as Jack points out, he advocated the creation of Domestic Council. As originally conceived, that Council was to be the long-overdue domestic counterpart to the National Security Council--helping to coordinate Department conflicts, drafting legislation, maintaining contacts with the affected interest groups and generally helping the President's domestic adviser.

Unfortunately, the Council was misused during the Nixon-Ford years: Nixon used it to help scuttle the domestic programs of the Johnson years and gave it enormous powers over the Cabinet Departments; Ford abandoned it completely by giving control to Rockefeller (who turned it into largely a long-range planning mechanism). The Council's poor reputation around Washington is thus well deserved. But I think a cure lies not in its elimination but in redirecting its activities. It's the only vehicle the President can depend upon to resolve domestic disputes between agencies.

The Council can be made into the meaningful device originally contemplated. That can happen if the members of the Council (the Secretaries of the domestic Departments) are accurately informed that the Council has the President's confidence and will be his vehicle for resolving domestic conflicts; if the staff is given a clearer direction of its duties --which cannot include running the Departments; if the staff is made much leaner (reduced from 45 to perhaps 25-30);

and if the Council gets day-to-day oversight from the President's policy adviser.

Were the Domestic Council to be abolished, there are, as Jack notes, two alternatives to providing the needed staffing for the policy assistant. I think both are seriously flawed. The first alternative is the formation of ad hoc task forces to help coordinate and suggest solutions for inter-agency problems. Such an approach might work for a select number of long-range problems. It would never work, and to my knowledge has never worked, for the type of short-range, day-to-day problems that will confront the policy assistant by the score. Task forces could neither be formed nor expected to produce solutions fast enough to meet those types of problems.

In addition, your public image as a competent manager would not be helped by a perpetual ad hoc approach to domestic problems. A plethora of ad hoc groups would do more to erase that image than almost any other step you could take.

The second alternative suggested by Jack is the use by the policy assistant of OMB's resources. While the OMB staff should be available to the White House Staff, it should not be its chief resource. That would be a mistake; it would blur the necessary distinction between policymaking (which is attuned to political and social needs) and budgetmaking (which is attuned to the availability of resources.) The President's policy assistant and his staff are interested solely in serving the President's interests; they have been selected specifically for that purpose. As a result, in making judgments about how to resolve inter-agency conflicts, how to draft

legislation, or how to ensure that the President's policies are being implemented by the Departments, they have the same interests and perspective as the President.

That completely contrasts with OMB. Their perspective, to begin with, is that of the career civil servant and not the President. While they will be loyal to you (as will every civil servant), they were there before you came serving other Presidents and they will be there after you are gone to serve other Presidents--and that fact will inevitably affect their judgment and their reliability as a resource for your domestic policy assistant. Second, their perspective has traditionally been--and clearly should remain--budget-oriented, not policy-oriented. To expect OMB to provide advice and aid to your policy assistant which adequately takes into account your political, legislative and policy needs is unrealistic. The 650 members of the OMB staff were simply not hired or trained to take those needs into account--nor should they have been.

To conclude, then, it is not practical to expect your policy assistant to handle his responsibilities with a handful of staff members several fewer than any Senator has doing his domestic policy work. Not is it practical to expect that ad hoc task forces or the OMB staff will furnish timely and adequate resources. The solution, in my view, is a leaner more well directed Domestic Council, staffed by skilled policy specialists having interests coinciding with yours together with a staff for the policy adviser of around fifteen.

One last thought on this matter. One of the reasons you were elected was your strength on domestic issues--jobs, housing, environment, energy, health care, tax reform, and government reorganization. The strongest symbol in the White House of your commitment to these

issues is the Domestic Council. To abolish it would be seen as an unfortunate symbol to many of the interest groups which helped elect you: that the nation's critical domestic concerns do not merit a White House structure even one half the size of the White House structure involved with foreign concerns (NSC has 70 employees and \$3.2 million budget).

That type of impression should not--and need not--be conveyed. (The far greater attention often paid by Presidents to foreign affairs over domestic affairs is well known, though I think very unfortunate. This is not the place to discuss that phenomenon in detail, but I think its roots and difficulties were well set out in a recent Washington Post piece which I have attached.)

5. Speechwriting Staff (Page 29 of Jack's memo). Jack suggests that the speechwriting staff could be placed either under your policy assistant or under an autonomous assistant for speeches. With one caveat, I favor the later approach.

Because of the enormous flow of Presidential messages, statements, and speeches, the speechwriting staff has grown in size to about 10-12. While that can certainly be cut back, there will still be a significant speechwriting staff. A staff of that size should have direct access to the President through the chief speechwriter, not a President's assistant involved principally in other matters. In addition, a President should have the close access to his speechwriters that such a system would permit; only through that access can they better understand the President's needs.

My one caveat is that the policy assistant be able to review the work of the speechwriters prior to the final submission to the President, and work closely with them on the content of the speeches. Speechwriters must not become policymakers. The absence of that type of review, or coordination, in the Johnson White House often kept the speechwriters unaware of the President's existing record and positions and the

domestic policy staff unaware of new promises or programs until after their announcement.

6. Government Organization (Page 32 of Jack's memo). Jack appears to suggest that the problems of government reorganization be placed under the aegis of the policy assistant, with the bulk of the work actually being done in OMB. Again, I think that suggestion has a serious flaw: the OMB staff is not equipped -- nor should it be -- to make policy decisions about the government's structure. Those types of decisions must be made by persons whose perspective and interests coincide with the President's.

My recommendation, therefore, would be that the policy assistant have a deputy concerned solely with reorganization; the bulk of his staff work would be performed by specialists in the Domestic Council and to some extent in the Cabinet Department. If greater expertise is needed, the Deputy can consult with OMB -- but OMB should not be making the major policy decisions or doing the bulk of the staff work (which might be done in a manner so as to preclude the President from knowing about certain options).

7. OMB (Page 33 of Jack's memo). As is apparent by now, I disagree with Jack's concept of OMB. OMB must not become a personification of what Nixon intended for it -- and for which it has been so widely criticized -- when he created OMB from the Bureau of Budget: a super-agency, able to control the Federal government through its budget powers and its management expertise. This would be the very antithesis of giving clearer authority to the Cabinet Secretaries.

Fortunately, the Nixon-Ford OMB fell somewhat short of those goals. Among other things, it did not, as Jack points out, provide much in the

way of management expertise to the Departments, though it did a considerable amount of meddling. But OMB did succeed, because of its power over the purse and the great latitude given to it, in becoming by far the most powerful body in the Executive Branch. The development of such enormous power in a body not directly accountable to the President and concerned about numbers more than policies, or programs, was simply destructive to the effective operation of the government.

The fear and distrust of OMB that arose as a result of its omnipotence is not something you should want to perpetuate, let alone accentuate by providing OMB with additional powers. But that might be what you would be doing under an OMB which had policymaking authority.

Under his proposal, OMB would backstop the White House staff on policy formulation and legislative advice; would be the Executive Office organization charged with monitoring the Departments and agencies; would play a larger role in the management of programs by the Departments and agencies; and would, of course, continue to make the budget decisions for a \$400 billion plus budget. Even leaving aside the obvious problems with creating such a super-agency, the envisioned OMB would effectively be running the Cabinet Departments. Just as damaging is the fact that those who would effectively be running the Departments would not be individuals who have your perspectives and interests in mind, but rather the perspectives and interests of career civil servants primarily concerned with budgetary and fiscal problems.

I would like to see an OMB restored to the role it played under Charles Schultze in the Johnson years -- a highly professional organization concerned with budgetary questions, rather than legislative or policy questions, and respected by the rest of the Federal government,

rather than feared. I recognize, of course, that there will inevitably be some overlap. The Bureau of Budget under Schultze was involved in some policy questions, and at a lower level of decisionmaking that will be inevitable in your OMB as well. But, on the whole, policy and legislative questions should be returned to the President's personal policy staff; and management should be returned to the Departments and agencies. The direction in which the proposed OMB is headed does not accomplish those goals. You might want to give OMB greater management coordination, but certainly not policymaking, for which it was not created nor is it capable of doing with a career service staff which cannot be expected to adequately reflect your policy goals or political realities.

8. CEA (Page 39 of Jack's memo). I agree with Jack that CEA should be more heavily involved in microeconomic analysis. You committed yourself to that in your Economic Position Paper, where you pledged an expanded role for the CEA in dealing with the individual sectors of the economy.

If such an expanded role requires additional staff (and it may not, since the CEA might find that much of the work being done by the present staff is not useful to your needs and can be eliminated), that additional staff should not come from the Council on Wage and Price Stability. You have also indicated you would use that Council vigorously to curb inflation by subpoenaing corporate records if necessary. To honor that commitment, you would not be able to transfer some of the Council's staff.

9. National Security Affairs (Page 42 of Jack's memo). I fully agree that your national security affairs staff should be a provider of day-to-day information and a coordinator of inter-Department problems, not the architect of your foreign and defense policies. One of the major failings of our foreign and domestic policy apparatus has clearly been that the reverse has occurred.

The reason for that failing has largely been the types of personalities who were national security advisers. They have tended to be strong-willed and unable to sit by while policy is being made elsewhere.

So if you are convinced that the old pattern must be reversed, and policymaking returned to State and Defense, you should focus your search for an adviser on knowledgeable individuals able to follow the lead of the Secretaries. If you are not so convinced, you obviously need not be so circumscribed in your selection. The point which Jack has made so well is that the type of individual selected will determine the NSA's role, and not advance planning or flow charts.

Conclusion. I do not believe you should feel hurried into making decisions about the White House structure; they are too important to be made quickly. But I do believe that the decisions you make about the structure are extremely important, should be among the first major decisions you make, and -- once made -- will expedite and ease the transition process. Additional work must be done on the other components of the Executive Office of the President, which I have mentioned above.

Presidents Spend Too Much Time On Foreign Issues

By Ben H. Read

EVERY American President in modern times has been the largely unwitting object of a contest throughout his tenure of office for which there are no adequate advance preparations or experience. The contest receives scant public attention or analysis. It is an unintended contest without heroes or villains, but it has its real winners, losers and victims. Its outcome largely dictates the President's historical scorecard. And the ground rules of the contest are badly stacked.

The struggle is for limited presidential time, attention and energies between those responsible for foreign affairs and those responsible for domestic affairs. With the luxury of hindsight, it is possible to see that the former have been the clear winners in recent years. The major preoccupations of at least three of the last four Presidents have been with foreign affairs.

The causes and effects of foreign affairs dominance bear close examination and suggest needed changes.

Heady Stuff

THE PROCESS begins anew every four years, well before Election Day. Special intelligence briefings are laid on with care and solemnity for the major opposition party candidates. Tradition and politics rule out comparable official briefings on domestic issues even when such issues are intricate and vital to domestic development and obscure from public knowledge.

In the brief period when power is transferred between the major political parties — which has been occurring with regularity every eight years since 1952 — briefings multiply and cover a broad sweep of subjects, but for understandable reasons priority is given to the search for and choice of persons for key positions.

Before Inauguration Day is over, a new Secretary of State and a new national security adviser will usually have cleared with the President the administration's first cables to other capitals. National security briefings and meetings follow with urgent frequency. Fixed patterns of association and behavior form. The problems of information overload, selectivity and balance become acute.

It may be weeks after their swearings-in before the new Secretary of Transportation or the environmental counselors have comparable *tete-a-tete* business meetings with their chief. It is apt to be much later before there is time for the President to hold business sessions on the issues that have no arbitrary deadlines — education, population, resources, science and technology, social and cultural trends.

The subjects raised by the national security people are, after all, more compelling. "Domestic policy," President Kennedy used to say, "can only defeat us; foreign policy can kill us." How can the tough, undramatic, day-to-day problems of cities, race and budget compete with coups d'etat, dispositions of forces and diplomatic and political moves by allies and adversaries? The latter are the heady stuff of history books and front-page headlines, not progress on housing, minority opportunities or fiscal reforms.

The dramatic accoutrements of the office of Commander-in-Chief — the ever-present nuclear controls, generals and admirals in waiting, map-room command centers, top secret briefings and hotlines — are but the better known elements of the situation. There are many subtle and consuming attractions.

As is so often the case, the human factor is central. Recalling those with closest access to the President in the last 16 years, it is hard to name domestic advisers as well equipped or in better positions to capture and retain primary presidential attention as McGeorge Bundy or Henry Kissinger and some of their foreign policy colleagues. At the level of career service officials who have fairly regular occasion to meet with the President, it is difficult not to accord a similar decision to those from State or Defense — the Chip Bohlen, the Tommy Thompsons, the Max Taylors — over their counterparts at, say, Commerce or Agriculture.

There is no conspiracy involved. Those responsible for the national security side of the executive establishment are only doing their jobs when they press for more and more time in the Oval Office. Their effectiveness in public service becomes closely related to their ability to say, "The President told me . . ."

The methods employed in the conduct of foreign policy contribute to the imbalance. There is a false sense of determinism about instructing an ambassador to tell another government to do thus and so. It is not possible to do that with the governor of California or the mayor of Chicago. And yet no one conversant with foreign affairs would deny how seldom such representations result in measurable change of conduct by other governments. Between 1977 and 1981 the winner in November may be asked to consider several thousand such cables and many like incoming representations from 150 other governments.

Protocol plays its part. A thousand ambassadors will seek appointments in the next four years solely to present credentials. White ties and tails and toasts will be required on hundreds of occasions for visiting dignitaries and on trips to other capitals. Hundreds of evenings of entertainment will need to be endured if not enjoyed.

During the same four years, if recent practice prevails, there will be no White House dinners to honor the country's leaders of local government, law enforcement, urban conservation or labor-management affairs. They will be fortunate to see the President once for every 10 appointments granted to the practitioners of defense and diplomacy.

The traditional structure of the top level of government also plays a heavy role. In the White House, National Security Council staff members constitute a significant competent beachhead for the advancement of the con-

Read, who was executive secretary of the State Department from 1963 to 1969, now is president of the German Marshall Fund here.

cerns of the Departments of State and Defense and the intelligence community. The Domestic Council has not matured to anything like comparable stature.

The great domestic departments and agencies of the government have no significant representation in the White House West Wing or Executive Office Building. They need to rely largely on developing the interests of the political aides of the President. They have no well-staffed, 24-hour-a-day operations or command centers to help produce position papers overnight. They lack sophisticated mechanisms of coordination. They have not developed briefing techniques which can compete with the concise and highly readable early morning and late evening intelligence reports or the daytime memos and calls from the national security adviser and Secretaries of State or Defense. It is the latter two, not the Attorney General or Secretary of HEW, who sit on the President's right and left in Cabinet meetings.

The Seductive World

ALL THESE factors — the unavoidable as well as the avoidable — tend to tip the balance of presidential attention toward traditional foreign issues without regard to domestic costs or to obscure the proper balance at any given time. Our position in the world necessitates heavy international involvement, and withdrawal from foreign responsibilities is impossible for liberal or conservative Presidents alike. As Secretary of State Dean Rusk was fond of reminding colleagues: "Two-thirds of the world is awake and up to mischief while we sleep." Deadlines at conferences and negotiations and needs to make U.S. positions clear at the right time are real. But the distortions caused by imbalanced foreign-domestic allocation are real, too.

John F. Kennedy took justifiable pride in his knowledge and interest in the world around us. He followed closely the ups and downs of Italian center-left politics, emerging democratic power centers in Latin America, the strengths and weaknesses of friendly governments and leaders in Southeast Asia. His phone calls to State

monuments, not the long, tragic slide into major conflict in Vietnam, which became his obsession. "I spent 10 hours a day worrying about all this," he recalled to Doris Kearns, "picking the targets one by one, making sure we didn't go over the limits." How many Great Society programs were aborted without real test because of his preoccupation in Southeast Asia?

Richard Nixon was probably the only President to boast openly and repeatedly that foreign affairs were his first love and real forte. "I've always thought this country could run itself domestically without a President," he told Theodore White. "All you need is a competent Cabinet to run the country at home. You need a President for foreign policy; no Secretary of State is really important; the President makes foreign policy."

The opening to China and stepped-up arms control discussions with the Soviets may still achieve the full benefits intended. And yet were the thousands of hours he spent with Henry Kissinger truly justified? Weren't Cambodia and Chile chapters we would like to omit from contemporary American history? A strong case can be made that if he had spent equal efforts on his administration's promising welfare and government reorganization initiatives, they might now be law.

Possible Remedies

MAINTENANCE of peace and security are obviously paramount presidential obligations under the Constitution. But the many extraneous factors that draw Presidents into excessive preoccupation with international relations leave too little time for the nation's long backlog of critical domestic business. At present, no one in the Executive Branch has the responsibility and the qualifications to advise the President when secondary foreign issues threaten displacement of primary domestic ones — or vice-versa.

Several remedial steps can be suggested. In his immediate official family, the next elected President should charge certain key advisers with counselling him on the ever-shifting bal-

ance between foreign and domestic priorities and should make sure that they have the access to information needed to do so effectively.

VICE PRESIDENT: Potentially the best presidential counselor for priorities is the Vice President. He is the only other person with the same self-interest as the President in establishing a sound over-all record for the administration with which their names are linked and with the same credentials as the President to relate politics and policies.

Recent history provides a striking example of where advice received by a President from his Vice President in a matter of fateful national consequence was far wiser and more prescient than that received from any other source.

The most far-reaching decisions of the Vietnam war were taken in February of 1965 — whether to increase U.S. forces there several-fold and to institute direct U.S. combat roles. The country and the Congress were strongly hawkish, and no one yet spoke of a "credibility gap." In mid-month, before he had been in office 30 days, Vice President Hubert Humphrey gave the President a memorandum, published for the first time this summer, in which he warned that the decisions to be taken would "profoundly affect the success of the administration." A wider war "to support a country which is totally unable to put its own house in order," he cautioned, "would not be understood or sustained by the American people." It would "erode confidence and credibility" and have "serious and direct effects" for all administration programs, both foreign and domestic and for "socially humane and constructive policies generally." The memo was unsolicited, unwelcome and unheeded.

This year, as in earlier election years, the major party candidates have talked about their special, close relationships with their running mates and their intentions to upgrade the nation's second office. The statements have been greeted with cynicism by those familiar with the history of the office. But the President elected this November would be wise to make good on his promise. The minimal assignments given to recent Vice Presidents with such extensive experience as Lyndon Johnson, Hubert Humphrey and Nelson Rockefeller represent lost opportunities for their Presidents as well as for the nation.

If the rapport between the two men is good, a vice presidential assignment as principal presidential adviser on the priorities to be given by the next administration to short and long-term national and international goals could serve many purposes. The President would gain by obtaining regular advice on one of the fundamental problems of conduct of his office. The next Vice President, be it Walter Mondale or Robert Dole, would gain by having an important assignment fully commensurate with the office and appropriate considering the likelihood that he will be his party's future standard-bearer, running on the record of the coming administration. To be effective in such a role, the Vice President would need to be armed with a writ assuring him full flow of information and access to the Cabinet departments and agencies.

PRIORITIES STAFF: At White House staff levels one or two trusted senior aides should be charged with assisting the President and Vice President to monitor the foreign-domestic balance and counselling when the minutiae of one sphere threatened neglect of the priorities of the other.

Department desk officers and late night dictation of detailed questions and comments about developments in other countries have become legendary.

During his 1,000 days President Kennedy achieved one substantial international breakthrough — the Limited Nuclear Test Ban Agreement. And yet, at the time of Dallas, his domestic program on the Hill was on dead center, and no important foreign initiatives were under way. What good were his early fascinations with Laos, Cuba or Ayub Khan in the long pages of history?

Lyndon Johnson's early and successful pursuit of long-delayed civil rights, Medicare and other social goals surely provides his best and most enduring

• Their tasks would not be easy or passive. The relationships between Vice Presidents and their staffs and senior presidential aides have often been marked by barely disguised hostility. The issues that come to the fore in government are often ephemeral problems of the moment which bear little resemblance to longer-range goals. Almost by definition, the latter are apt to involve issues which have no easy solutions and which fall within the jurisdictions of two or more government agencies. The obvious tendency of any arm of the bureaucracy to submerge complex issues for which it has only partial jurisdiction creates an inertia hard to overcome. The priorities staff would need to have full access to the crucial work and information flow of the significant organizations of government and to be free of other opera-

tional assignments to be able to provide their principals with sound advice about the best allocation of time and effort between foreign and domestic goals and issues.

SECRETARY OF STATE: The appointment of a Secretary of State deeply knowledgeable and attuned to the country's domestic problems, institutions and ideals as well as to the realities and sensitivities of the world around us is a primary necessity. Gone are the days of passive congressional acquiescence in Executive Branch conduct of foreign affairs. Non-disclosure, partial disclosure and sharp salesmanship of diplomatic achievements are no longer good enough. New cooperative arrangements are needed and desirable and can only be accomplished by a Secretary fully aware and supportive of the enhanced role of the Con-

gress. The pressures placed on the office of Secretary by external crises and other short-run considerations virtually preclude gaining a solid base of domestic knowledge while in office.

OTHER PRESIDENTIAL APPOINTMENTS: The choice of certain other Cabinet officers and presidential appointees with proper appreciation of the interaction of national and international interests is also important. It is foolish to perpetuate the simplistic notion that State should have the exclusive responsibility for pressing foreign interests against the single-minded domestic concerns of, say, Treasury or Agriculture. Unilateral U.S. moves in these and other areas can lead to inevitable offsetting foreign countermoves or reactions. The roles of Cabinet members need to be broadened to encompass both domestic and foreign considerations and thereby to relieve the President as much as possible of responsibility to resolve old jurisdictional conflicts.

LESS PROTOCOL, MORE PROFESSIONALISM: Other actions by the President might be aimed at reducing the needless demands of the pomp and protocol of state visits. Few would grieve if the leisurely two-day visit routines of stiff White House dinners and foreign embassy receptions were replaced by less glamorous half-day or full-day working sessions with visiting leaders. Much of the discourse that occurs at such state visits could be conducted at lower levels if greater scope were given to professional diplomacy.

NEW ROLES AND MISSIONS: Changes at the top need to be accompanied by changes below, or the course of government is seldom altered fundamentally. The roles and missions of government at home and abroad need broadening to eliminate the artificial separation of foreign and domestic pursuits that cripples chances of achievement of priority goals in both areas. Modern societies, particularly the great industrial democracies, have much more to learn from each other than they do at present. Foreign policy limited to conventional security and commercial concerns is badly out of date.

Enormous breadth of knowledge, willingness to delegate authority (and to insist that others do likewise) and self-discipline to eliminate non-essential activities are required on a continuing basis by a President to achieve an optimum balance between foreign and domestic priorities. Recent history provides little comfort for those conditioned to think that the President alone possesses the general competence to achieve that balance. He needs all the help he can get in fulfilling this central task of office and should make appointments and assignments with this goal in view.

CARTER - MONDALE
TRANSITION PLANNING GROUP

P.O. Box 2600
Washington, D.C. 20013

MEMORANDUM - December 23, 1976

TO: President-elect Carter
FROM: Stu Eizenstat *Stu E.*
RE: Public Affairs Office

While I think that the Office of Telecommunications Policy could and should be abolished, there is a need for someone to have a small office which would have the following functions within the White House:

1. Be responsible for seeing that your statements, positions, messages and views were most effectively transmitted to the public.
2. Assisting you with television matters, such as fireside chats and the like.
3. Arranging for ^{Advised} "educational sessions" in which you meet with leading Americans in fields such as literature and research, and let them discuss with you, purely in a non-political way, developments in their field. This would be a tremendous education to the American people and it would put the Presidency on a high pedestal.

4. Arranging town hall meetings and other events outside of Washington, to maximize your contact with the public.

I believe that Barry Jagoda is an appropriate person to head this up. He is very talented and has a good feel for these things. These activities are by no means a press operation or a policy operation, but fit in between the two.

cc: Bert Lance
Jody Powell
Hamilton Jordan
Greg Schneiders

The Brookings Institution



1775 MASSACHUSETTS AVENUE N.W. / WASHINGTON D.C. 20036 / CABLES: BROOKINST / TELEPHONE: (202) 797-6000

Governmental Studies Program

January 4, 1977

*Maxie
Held &
others
J*

MEMORANDUM (#13) FOR PRESIDENT-ELECT CARTER

Your transition team's "White House Study Project, Report No. 2" presents you with sensible designs for streamlining the Executive Office of the President (EOP).

I am in agreement with abolishing the following units: Federal Property Council, Energy Resources Council, Council on International Economic Policy, Office of Drug Abuse Policy, and Office of Telecommunication Policy (OTP). The proposal for redistributing the functions of OTP is particularly creative.

One of the two intelligence monitoring units should be eliminated. Before you make a decision, however, it might be useful to have the case presented for retaining the President's Foreign Intelligence Advisory Board (PFIAB) instead of the Intelligence Oversight Board (IOB). This is not an area in which I have any special expertise. Yet my hunch is that the PFIAB offers a stronger base to build on than does the IOB. I am at a loss to suggest who could give you the most dispassionate advice. You will certainly be consulting with Ted Sorensen (who worked closely with the PFIAB during the Kennedy Administration) and you may wish to talk with Clark Clifford and Nelson Rockefeller as well.

My own feeling about the work of the Council on Environmental Quality (CEQ) is less generous than that of your transition team. You might consider another option for redistributing CEQ's functions along the lines prescribed for OTP: operational responsibilities to the Environmental Protection Agency (EPA) and advisory responsibilities to the Office of Science and Technology Policy (OSTP). This has the advantages of eliminating one more unit in EOP and strengthening

the Science Adviser's portfolio. A disadvantage would be the further unease of those who are already concerned by your creation of a Special Assistant for Energy. Ultimately, however, the acceptability of this option would depend heavily on how the environmentalists view your appointments to the EPA and OSTP posts. CEQ has now been in business under two Presidents and has not met their needs. (This, of course, may say more about the deficiencies of Nixon and Ford than it does about CEQ.) But by making early appointments to CEQ it is probable that you will be locked into retaining it instead of merely "buying time." I would suggest that you ask either OMB or some outsiders (such as Don Price and Dick Neustadt) to study this further.

I agree with your transition team's proposals to retain the Office of Special Representative for Trade Negotiations and the Council on Wage and Price Stability (at least until September). Retaining the National Security Council, the Office of Management and Budget, and the Office of Science and Technology Policy are taken as givens.

Whether you prefer Option One (abolish Domestic Council, replace with ad hoc meetings) or Option Two (create Domestic Policy Council as working Cabinet committee) may be largely a matter of personal taste. I am not sure that the end result would be very different. The keys to success under either arrangement would be the same: A) Unswerving presidential support for working through the Cabinet. Will you continue to overlook the serious provocations to operate otherwise? B) The quality of the Cabinet. Will your department heads prove to be the people who give the best advice and with whom you have the strongest relations? C) The ability of the White House staff members assigned to facilitating Cabinet deliberations. Will they be skillful enough to keep the

Cabinet system running smoothly and fairly? My own preference is in favor of Option Two only because its structure may make it more difficult to push the Cabinet off the center stage.

The problem of excessive use of a Cabinet member's time (an argument for Option One) is something of a red herring if one accepts the collegial presidency model since presidential advising, by definition, becomes one of the most important duties of a Cabinet member. There are exceptions, of course. It is probable that the Secretary of State, for instance, would delegate most of his economic advising responsibilities to the Under Secretary for Economic Affairs. But when you chose Secretaries of Labor and Commerce who are respected economists (the first time, I feel sure, that these posts are held simultaneously by professional economists), the premise of collegial government is to make maximum use of their talents beyond their narrow jurisdictions.

Respectfully submitted,


Stephen Hess

MEMORANDUM - December 12, 1976

Gov -
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TO: Greg Schneiders
FROM: Stu Eizenstat
RE: Thoughts On Your Memo On the Organization of White
House Staff and Executive Office of the President

I have the following thoughts on your memorandum on the organization of White House Staff and Executive Office of the President. They are presented in the order in which the various subjects were discussed in your memo.

A. THE WHITE HOUSE STAFF

1. I generally agree with your list of the nine most senior White House Staff members. I think every senior official on the White House Staff should have direct access to the President; if there are more than nine, that type of access tends to become cumbersome and unworkable.

2. I would slightly alter, though, the composition of those nine senior members. I think the Political Adviser and the Director of Personnel can effectively be the same individual. That has often been the case in past Administrations, largely because one of the principal tasks of the Political Adviser has been patronage. I would recommend, therefore, having a director of personnel to handle the staff work on patronage and other personnel decisions, but having that individual report directly to the Political Adviser rather than the President. *ok*

A less obvious term for the "Political Adviser" would be desirable. That term has, to my knowledge, never been formally used by any White House. A more appropriate title might be something along the lines of "Assistant to the President for Public Liaison."

3. Domestic Ambassador: If the director of personnel was eliminated as a senior White House Staff member, I would recommend the creation of a new position to round out the top staff. The position would be that of a Domestic Ambassador: an individual who could spend full time (as no one else on the senior staff really can) being the President's personal representative outside Washington to many of the organizations and individuals throughout the country to whom the President's programs must be sold and from whom advice and guidance must be regularly sought. This individual would be someone who (a) travels the country frequently to touch base with the necessary groups and individuals, (b) is recognized as able to speak for the President and to transmit messages directly to him, and (c) serves as a high-visibility general spokesman around the country for the Administration's programs and policies. S. 164

The creation of this Domestic Ambassador would be a novel and bold step. To date, such a role has been subdivided among the rest of the President's senior staff. Unfortunately, that subdivision has forced each of the members of the senior staff to devote considerable attention to matters not directly relating

to advising the President (which is their prime responsibility). Worse, because the time devoted to this function by members of the senior staff has been uncoordinated, much has fallen through the cracks. As a consequence, there has been a chronic neglect of certain individuals or organizations with whom the President should be in regular communication.

The Domestic Ambassador would, obviously, spend much of his time outside of Washington. In doing so, he would bring to the groups and communities that he visits a sense of White House concern and involvement in their problems. When back in Washington, this individual would spend time with the President and the rest of the members of the senior staff reviewing the feelings and mood of the groups and communities visited. That type of regular feedback from the rest of the country would be an invaluable aid to the Carter Presidency.

This role has been filled by Chas. Colson & Bill Baruch in the Nixon-Ford Administrations.

4. Dual Roles of Policy Advisers: I agree that the present White House structure, in which the chief Domestic Adviser is also Chairman of the Domestic Council and the National Security Adviser is also Chairman of the National Security Council, should be continued. And I agree that this pattern should be complemented by having the chief Economic Adviser be the Chairman of the Council of Economic Advisers. (At present the chief economic adviser on the White House Staff is not Allen Greenspan, the CEA Chairman, but rather William Seidman. This type of division should be eliminated.)

The virtue, indeed the necessity, for having these three advisers play dual roles is generally unchallenged by those who have served in the roles or who have seriously studied the organization of the White House Staff. The reason for this widely held view is that with a different individual serving, for instance, as chief Domestic Adviser and as Chairman of the Domestic Council, the President's domestic advice would be fragmented and uncoordinated. For inevitably, the chief Domestic Adviser and the Chairman of the Domestic Council would be at odds with each other and would try to have the President solve their differences. The President's time is too valuable to regularly spend it resolving differences between two Domestic Advisers, or two Economic Advisers or two National Security Advisers.

The basic policy views of the President's senior advisers should be presented to him in a clear fashion, so that he can evaluate them in light of the views of the Cabinet members or trusted outside advisers. That would not be possible if the senior policy positions were held by different persons. I am not advocating that the President should review policy options only through the perspective of one staff adviser. I am saying that only one staff adviser (in a given area) should present the options developed by the staff, by the Cabinet, by outside experts and by other trusted advisers. Califano, Sorensen, McPherson and James Cannon (the present head of the Domestic Council and Domestic Adviser) all feel strongly about this.

5. Policy and White House Staff: At present, all of the President's domestic policy staff work is done by the Domestic Council staff, which is within the Executive Office of the President but not within the White House. The chief Domestic Adviser, though, is on the White House Staff (occupying one budget slot). The same is true of the National Security Adviser and, presumably, the same would also be true for the chief Economic Adviser if he were also Chairman of CEA.

There are a number of reasons why the chief Domestic Adviser and the National Security Adviser are technically on the White House Staff, even though their own staffs are not within the White House. As someone who has worked in the White House, I find those reasons readily apparent (as do other individuals who have served in recent Administrations). Since your memo clearly does not contemplate taking the Domestic Adviser, the National Security Adviser or the Economic Adviser off of the White House Staff, there probably is no need here to justify keeping them on that Staff. However, I understand that Dick Harden may suggest in a future memorandum that these advisers be taken off the White House Staff. I disagree very strongly with this proposition, and think it would perhaps be helpful now to outline the two major reasons why they should remain on the White House Staff:

First, those not on the White House Staff simply lack the access to the President of those on the Staff. Those on the Staff typically reside in the Executive Office Building rather than the West Wing, and as a result are outside of the regular flow of the President's daily activities. The possibility of regularly seeing the President for short times throughout the day is greatly diminished. Similarly, the chance to continuously review matters with the President's White House Staff (Press Secretary, Political Adviser, Administrative Assistant or Director of Congressional Liaison), which is critical to the Domestic Adviser's success, is made more difficult. When I worked in the White House, I was located in the Executive Office Building. From that experience I have no doubt that those in the EOB are simply outside of the regular flow of information to the President and his top White House Staff and are, therefore, not as adequately equipped to provide ready and current advice.

Second, the public perception of moving the President's policy advisers from the White House Staff, regardless of the reason given, would be seen as a reaffirmation of the false charge that Jimmy Carter is concerned more with images than with issues. I believe such an affect would occur and so does every other former major White House official with whom I have talked. The presence of the policy advisers on the White House Staff is a symbol of their access to the President, and I think that symbol must not be removed.

ATC REF ID: A66000
PRESERVATION PURPOSES

PRESERVATION PURPOSES

6. Reductions In Staff: I fully agree that the individuals filling the top staff positions should receive a mandate to reduce the size of the staff currently budgeted by the departments they will head. I think the goal of an overall 10-15% reduction is significant enough to present a clear indication to the public that President Carter will be running a lean White House Staff. However, the decision on how much should be cut in each department really should await a review of the activities of those presently on the White House payroll. In some departments it may be possible to cut 20-25%; in others only a 5% reduction may be realistic.

I also agree that the Domestic, National Security and Economic Councils should be significantly cut in size. The NSC, for instance, has become notoriously bloated, in part because there has been no one with the temerity to question what its "top-secret" staff actually is up to. I think a goal of 25 professionals, with perhaps 10 support personnel, should be established at the outset, with any substantial increases beyond that being reviewed personally by the President.

7. Policy Coordination: I agree with your view that national policy should be coordinated at the White House Staff level. Even though the Cabinet members in the Carter Administration will be running their own Departments, there will have to be coordination and resolution of differences by the White House. The performance of that function is entirely consistent with the President-elect's campaign statements about the White House Staff not running the Departments or making Department policy: they will only be helping to develop policy where differences exist among Cabinet members and where clear Presidential involvement is required.

I also agree that the principal policy advisers in the White House (Domestic, National Security and Economic) should be the individuals charged with the coordinating role. As I mentioned earlier, to separate the role of adviser from coordinator would lead to fragmented and inconsistent policy. Again, among those who have worked on White House Staffs with whom I have recently talked, there is unanimity that the principal policy adviser in an area should also be the coordinator for policy in that area.

Such an arrangement does not by itself, however, ensure smooth policy coordination. For the record of the last eight years seems to indicate that there is at least one other major obstacle -- rigid separation of areas by the White House policy coordinators.

Throughout the Nixon-Ford Administrations, certain policy areas were considered to be within the sole purview of the National Security Adviser (even though those areas had clear domestic implications) and others were considered to be within the sole purview of the Domestic Adviser (even though those areas had clear international implications). For instance, international economics was largely kept under the control of the National Security Adviser (despite the fact that domestic impact was enormous). Similarly, energy was viewed as primarily a matter for the Domestic Adviser's attention (despite the fact that energy policy is really dependent on international factors).

There appear to have been essentially two reasons for this type of foreign-domestic compartmentalization. First, policy turf was jealously protected by those primarily responsible for an area. That is a problem endemic to government organization and can be corrected in the Carter White House only through clear directions by the President to his policy advisers.

The second reason was that the policy coordinators tended to divide the Cabinet Departments among themselves and follow the Departments' lead in determining the proper location of subject areas. So, for example, when the State Department began to make international economics its own, the National Security

Adviser (who was the sole policy adviser concerned with State) coordinated the subject to the virtual exclusion of the other policy advisers. The fact that international economics had enormous domestic economic, social and political impact did not automatically involve the advisers in those areas.

I think the type of coordination assignments set forth in your memorandum -- giving coordinators specific Departments -- would only perpetuate the compartmentalization of the Nixon-Ford years. White House policy coordinators would continue to regard certain Departments as their own, ignoring whether the policies of those Departments affect the responsibilities of other coordinators or advisers. For instance, giving the Agriculture and Labor Departments to the Economic Adviser overlooks the fact that those Departments have programs (like Food Stamps and Manpower Training) which really should be coordinated by the Domestic Adviser.

To avoid that kind of problem, my suggestion, which I want to refine in a subsequent memorandum, is to have the policy advisers coordinate along functional lines: regardless of the way in which areas are subdivided by the Cabinet Departments, the Domestic Adviser would coordinate all policy with domestic and social impacts; the National Security Adviser would coordinate all policy which clearly has only foreign implications;

and the Economic Adviser would coordinate those areas which are purely financial, monetary, fiscal or budgetary.

Where overlap among the advisers' responsibilities occurs, they would be charged with working together to develop a coordinated program (or set of options) for the President. A regular mechanism might be developed to coordinate the policy advisers' work in the overlapping areas. Thus, while the organization and regulatory reform efforts logically belong within the responsibilities of the Domestic Adviser, that individual can make those efforts successful only by developing a means to ensure the regular input of the other policy advisers.

I recognize, of course, that division along functional lines is not a perfect resolution of the problem. There still will be some issues that fall between the cracks and others which unnecessarily will be regarded as within the sole domain of a certain coordinator. However, a functional division seems to me far preferable to a Departmental division: it will ensure that policy options and recommendations are provided which maximize the White House policy resources. My feeling about this is echoed by a number of former White House officials, including Ted Sorensen, Joe Califano and Harry McPherson. All of them agree that the only sensible way to divide coordinating

responsibilities is along functional lines; otherwise, they feel, the fragmentation in policy coordination of the last eight years will continue unabated.

2. I should add one caveat to the merits of functional division. While the appropriate official to coordinate economic policy is no doubt the President's Economic Adviser, the staff he or she uses to perform that task cannot realistically be that of the Council of Economic Advisers. That staff has a long-standing tradition of providing scholarly and independent economic information to the President. That tradition reflects not only the statutory role of CEA (which is solely to give personal economic advice to the President) but also the administrative and political abilities of most economists: they are largely uninterested and untrained in coordinating policy development. (I recognize, of course that Charlie Schultze is an exception to the foregoing, but even he would have to rely on a CEA staff filled with academic economists.)

Without question, the Council of Economic Advisers is ripe for change. As President-elect Carter said during the campaign, the Council's focus should be redirected to micro-economic, sector analysis, which would clearly be more helpful in fighting inflation and unemployment. That redirection, though, requires skilled economists and not policy coordinators.

In addition, that redirection requires individuals who can give objective non-political economic advice to the President. If the CEA staff were also charged with policy coordination, its objectivity and independence would be destroyed and its real value to the President lost.

Of course, economic policy -- like domestic and national security -- does need to be coordinated. Since CEA is not the appropriate coordinator, I think a separate body should be used. That body should be modeled along the lines of the Ford Administration's Economic Policy Board. The Board is comprised of the major administration officials with economic responsibilities (such as the Chairman of the CEA, OMB Director, Secretary of the Treasury, Under Secretary of State for Economic Affairs, and the President's Economic Adviser). At present, Seidman heads the Board (in order to ensure White House control of the coordinating role). An obvious change (and improvement) would be to have the CEA head chair the Board, with (as now) its staff work being done by designated staff members of the Board. Even though the CEA Chairman would lead the Board, it would still be seen as separate from the CEA itself. That is certainly the view of the economists with whom I have recently talked. That is also the view of Sorensen, Califano and McPherson. Again, the details of how the economic board would be comprised and would operate can be developed in a subsequent memorandum.

8. Staff Coordinator: I agree with the idea that there will need to be a "staff coordinator" (which is not the same as a Chief of Staff). From your description, though, it is not clear what are the types of matters not considered to "require Presidential attention." Nor is it clear whether the "staff coordinator" is to be an individual who already is a member of the senior White House Staff. My suggestion would be that either the Administrative Assistant or the Political-Personnel Assistant also be designated staff coordinator and given the responsibility for the operation (hiring and firing) of the White House Staff and the distribution of the considerable White House prerequisites. But I have no strong feeling on this, one way or the other.

9. Cabinet Status: I agree that no staff member should be given Cabinet rank. The proliferation of Cabinet status in the Nixon and Ford Administrations served, without question, to lower the significance of the actual Cabinet members. That, of course, is exactly the opposite of what the President-elect is interested in doing.

10. Chauffeurs: I agree that chauffeur-driven cars for the White House Staff should be eliminated (with the obvious exception of a motor pool arrangement for staff members going to the Hill or to Cabinet departments during the working day). There is no real reason why White House Staff members should be regularly picked up and taken home from work. I think the President-elect's elimination of this prerequisite would stand as a significant symbol of his commitment to a lean staff and a cost-conscious operation. However, I do not think that he should stop with the White House Staff. There are hundreds of officials throughout Washington who are provided with chauffeur service on a regular basis. The military leaders are notable examples of this type of unnecessary expense. Excluding Cabinet officers, I do not think any appointed official should be provided with chauffeur service. The elimination of the Washington chauffeur system should be part of the President-elect's package for the first week of his Administration.

11. White House Mess: I agree that the White House Mess should be immediately put on a self-sustaining basis. The enormous amount of its present subsidy is really a disgrace. I do not think, however, that the Mess should simply revert to a carry-out. At present, the Mess affords staff members an opportunity to work together over lunch, as well as to meet with visitors for lunch. That opportunity should be kept.

I believe this is a factor in staff isolation. 65

B. EXECUTIVE OFFICE OF THE PRESIDENT

1. I agree that the Executive Office of the President has developed an inordinate number of councils, offices, and boards, and that many of them are ripe for elimination or transfer. If done in the beginning of the Administration, the elimination and transfers would clearly serve as the initial steps toward fulfilling his commitment to a reduced White House and a lean, streamlined Administration.

2. As you know a detailed study of each of the EOP bodies is being done by a Task Force within the Transition Staff. Until that study is completed and a thorough evaluation of the activities of each board and council is available, I am reluctant to make firm recommendations about elimination or transfer. Based on what I already know, though, I would like to quickly set out my present thinking about each of the boards or councils mentioned in your memorandum:

(a) Council on Wage and Price Stability: This Council is presently the only vehicle in the government equipped to regularly monitor inflation. During the campaign the President-elect committed himself to increasing the power of this Council to investigate the cause of inflation. Given that commitment and the still present and overriding concern of Americans about inflation, the elimination of the Council on Wage and Price Stability at this time would probably be counter-productive. If there is any Council within the Executive Office of the President which should be kept and fully staffed, it is this one. *agree*

(b) Office of Telecommunications Policy: This is a prime candidate for transfer, if not substantial elimination. At present, OTP does very little which requires the President's immediate attention; and there is, therefore, little reason for its presence within the EOP. I think the President does need on his staff several people working on the enormous problems of the telecommunications industry, but I do not think he needs an office with 50 people and an \$8 million dollar budget. Putting OTP in the FCC would probably not be as helpful to the President as placing it within the Commerce Department: the FCC is completely independent of the President and, therefore, any control over OTP would be lost *agree*

if placed there. On the other hand, if OTP were placed in Commerce, the President would still retain a certain control over it.

(c) Council on International Economic Policy: This is also a prime candidate for transfer. Although international economic policy has become one of the major areas of political concern in recent years, this Council has done very little to focus and coordinate that concern. Even those in the present Administration widely admit that.

I think CIEP can easily be eliminated, with some *agree* of its long-range study activities being placed in Treasury or State and with some of its coordinating activities being handled jointly by the President's Domestic, Economic and National Security Advisers. In my view one of the keys to having a well-developed international economic policy is to have those White House advisers work together and concentrate significant amounts of their time within the area. A mechanism for that type of regular cooperation and attention should be developed as soon as possible.

(d) Office of Federal Procurement Policy: This Office has really become part of OMB's operation. I *agree* recommend that its functions be legally transferred to OMB and the Office itself abolished.

(e) Council on Environmental Quality: I think this Council will be very difficult for the President-elect to remove from the EOP. To begin with, the Council stands as a symbol of Presidential concern for the environment. For a President elected with overwhelming environmental support, I think it would be politically damaging to have CEQ removed from the sphere of his immediate attention. The Council has not been as effective an in-house advocate of environmental quality as its original Congressional sponsors (such as Senator Muskie) had envisioned, but I think that it has been due more to the last two Presidents' lack of concern for the environment rather than to CEQ. *ok*

Beyond that, placing CEQ in EPA, as you suggest, would make virtually impossible one of the CEQ's major tasks: to evaluate the problems of EPA, as well as other government agencies, in protecting the environment.

(f) Office of Special Representative for Trade Negotiations: The major reason why this Office is in the EOP is that neither Treasury nor State trusted each other with the assignment. That distrust is really institutional and, despite a basic change in personnel, not likely to disappear overnight. In addition, the business community

and the labor community are apparently in rare agreement on this subject: they both think the Office should be kept where it is. Removing it at the outset of the Administration would entail enormous political risks for very little political gain. *agree*

(g) Office of Science Adviser: This Office was abolished during the Nixon Administration and reinstated at the insistence of the scientific community and the Congress in the Ford Administration. During the President-elect's campaign, he clearly committed himself to keeping this Office in the EOP. That commitment is well known in the scientific community. Since the Office is small, there is, again, little political gain from its abolition but enormous political loss in the scientific community. *if smaller, ok*

(h) Energy Resources Council: This Council has been a complete and total failure; it has done nothing, and it has no friends in Congress or in the environmental-energy area. I think its elimination should be swift and total. *ok, it
Schlesinger
agree*

(i) Federal Property Council: This Council no longer has any function and thus can safely be abolished. *agree*

(j) Foreign Intelligence Advisory Board: This Board is supposed to provide independent advice to the President on intelligence matters. Although, it has been in existence for a number of years, in truth, it has done very little; it rarely meets and has almost no staff. The abuses in the intelligence community in recent years suggests how effective this Board has been. Abolition would be opposed by no one that I know of. *dk*

Despite my present feelings about each of these bodies, I would like to study the report of the Transition's Task Force before making any final recommendations.

3. Office of Management and Budget: I completely agree that the role of OMB should be limited to developing a budget and supervising the management of the Executive Branch. That is the role for which OMB is ideally suited and uniquely qualified. OMB is neither suited nor qualified to be a policy-initiating body. That role should be left to the Cabinet Departments, with coordination given to the President's policy advisers. One of the problems with OMB in recent years has been its substantial involvement in policy-making, almost to the exclusion of the Cabinet and White House policy advisers.

OMB is generally viewed to be overstaffed; there are now almost 800 people working there. A direction to the OMB Director to substantially reduce the Office's size would be healthy and long overdue.

C. THE EXECUTIVE BRANCH

I agree with your suggestion of a freeze, if by that you mean a freeze on budget slots as opposed to the specific personnel involved. If a freeze were placed immediately on all Federal hiring, that would be an impediment to getting new personnel to serve in the Carter Administration. Once those personnel are in place, a freeze on hiring might be considered.

I appreciate the opportunity to comment on your memorandum and would be glad to provide my thoughts in greater detail on any area you might want.